CSO Economic Trends

ARTICLES

UK balance of payments: preliminary figures for the fourth quarter and year 1988

The Budget: 14 March 1989

The economy: recent developments and prospects to mid-1990

No. 425

March 1989

Release dates of economic statistics to be published in April 1989

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in April 1989. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

Publication date	Series	Method of release	Source
April			
Mon 3	Retail sales (February-final)	PN	DTI
	Credit business (February)	PN	DTI
Tue 4	UK official reserves (March)	PN	HMT
	Capital issues and redemptions (March)	PN	Bank of England
Wed 5	Advance energy statistics (February)	PN	Dept. of Energy
	Detailed analysis of employment, unemployment, earnings, prices and other indicators	Employment Gazette	DE
Fri 7	Finished steel consumption and stock changes (4th quarter-final)	British Business	DTI
	Housing starts and completions (February)	PN	DOE
Mon 10	Producer price index numbers (March-provisional)	PN	DTI
Wed 12	Quarterly analysis of bank advances (February)	PN	Bank of England
Thurs 13	Labour market statistics: unemployment and vacancies (March-provisional); average earnings indices (February-provisional); employment, hours, productivity and unit wage costs; industrial disputes	PN	DE
Fri 14	Usable steel production (March)	PN	BSC/BISPA
	Tax and price index (March)	PN	CSO
	Retail prices index (March)	PN	DE
Sun 16	National Savings monthly progress report (March)	PN	Dept. for National Savings
Mon 17	Index of output of the production industries (February)	PN	CSO
	CBI/FT Survey of distributive trades (March)	PN	CBI
	Retail sales (March-provisional)	PN	DTI
Tue 18	Public sector borrowing requirement (March)	PN	HMT/CSO
Wed 19	Index of production and construction for Wales (4th quarter)	PN	Welsh Office
Thurs 20	Institutional investment (3rd quarter)	PN	Bank of England
	Provisional figures of vehicle production (March)	PN	DTI
	London and Scottish banks monthly statement (March)	PN	CLSB
	Provisional estimate of monetary aggregates (March)	PN	Bank of England
Fri 21	Cyclical indicators for the UK economy (March)	PN	CSO
	Preliminary estimate of consumers' expenditure (1st quarter-provisional)	PN	CSO
Tue 25	Building societies monthly figures (March)	PN	BSA
	CBI Industrial Trends Survey (2nd quarter)	PN	CBI
Wed 26	Construction — new orders (February)	PN	DOE
	Balance of payments current account and overseas trade figures (March)	PN	DTI/CSO
Thurs 27	Quarterly house purchase finance statistics (1st quarter)	PN	CLSB
	Energy trends (February)	PN	Dept. of Energy
	New vehicle registrations (March)	PN	DTp
Fri 28	Engineering sales and orders at current and constant prices (February)	British Business	DTI

PN = Press Notice

Economic Trends

No 425
March 1989

Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics division of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned.

The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone: 01-270 6363/6364

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Introduction

Economic Trends brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy:

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier. All data in this section are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

The main section is based on information available to the CSO on the date printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
2. Similarly, almost all quarterly data are seasonally adjusted; those not seasonally adjusted are indicated by NSA.
3. Some data, particularly for the latest time period, are provisional and may be subject to revision in later issues.
4. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
5. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
6. 'Billion' denotes one thousand million.
7. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.
8. Symbols used:
   - .. not available
   - \- nil or less than half the final digit shown
   - \+ alongside a heading indicates a series for which measures of variability are given in the table on page 73
   - † indicates that the data has been revised since last edition; the period marked is the earliest in the table to have been revised
   - * average (or total) of five weeks.

The Editor would welcome readers' suggestions for improvements to Economic Trends.

Central Statistical Office, 31 March 1989

CSO Databank

Virtually all the series in *Economic Trends* and the Quarterly Articles may be obtained via the CSO Databank Magnetic Tape Service. This enables users to obtain (in computer-readable form) a much more comprehensive and up-to-date set of long run macro-economic time series data than can be included in this publication.

Details of the service offered and the schedule of changes may be obtained from the Databank Manager, CSO Branch 9, Room 52/4, Government Offices, Great George Street, London SW1P 3AQ (telephone 01-270 6386). CSO does not offer direct on-line access for these data but a list of host bureaux offering such a facility is available on request from CSO.

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Latest developments in the economy

Data available at 31 March 1989

Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves fell by £22 million in February to £51,683 million. The reserves were reduced by repayments of borrowing under the exchange cover scheme amounting to £347 million. Proceeds from the fifth tender of UK ECU Treasury Bills issue totalled £966 million, whereas maturing UK ECU Treasury Bills were £670 million. There was no new borrowing under the exchange cover scheme this month. After taking account of foreign currency borrowing and repayments, the underlying change in the reserves during February was a rise of £29 million.

The average Exchange Rate Index stood at 97.35 in February, a fall of 0.46 per cent over the level in January.

Stockbuilding

Revised figures indicate that the level of stocks held by UK industry rose by about £1565 million, at 1985 prices in the fourth quarter of 1988. All the main sectors of UK industry increased their stocks during the quarter. The largest increase occured in the manufacturing sector, where the level of stocks rose by £465 million. There were also sharp increases in the stocks of the retailing sector and of the other industries sector, of £435 million and £400 million respectively. Wholesalers' stocks rose by £150 million, and stocks in the energy and water supply industries were increased by £115 million following three successive quarters of destocking.

Within manufacturing, stocks of work in progress increased by £255 million in the second quarter. Stocks of material and fuel increased by around £20 million, whilst stocks of finished goods rose by about £185 million. The stock/output ratio rose from 82.7 at the end of September to 83.0 at the end of December.

Companies: company liquidity survey

The liquidity of large industrial and commercial companies, as measured by the Department of Trade and Industry survey, fell in the fourth quarter. By industrial sector, the liquidity ratio fell for large manufacturing companies from 69 at the end of the third quarter to 57 at the end of the fourth quarter, and for large non-manufacturing (including oil) companies it rose in the same period from 91 to 101.

Unemployment and vacancies

The level of unemployment in the UK decreased by 41,200 to 1.947 million in February, 6.8 per cent of the workforce. Over the past six months unemployment has fallen on average by 46,500 per month.

The stock of unfilled vacancies at jobcentres decreased by 1,100 in the month to February to 228,100. Over the past three months to February vacancies have decreased on average by 5,700 per month.

Employment

The number of employees in employment in manufacturing industry in Great Britain is estimated to have increased by 6,000 in January 1989 following a rise of 4,000 in the fourth quarter of 1988.

The workforce in employment is estimated to have increased by 168,000 in the third quarter of 1988 and by 2,809,000 since March 1983.

Earnings

The underlying increase in average weekly earnings in the year to January was about 9 per cent, a rise of $\frac{1}{4}$ per cent on the increase in the year to December. The actual increase in the year to January, at 9.4 per cent, was above the underlying increase because some annual settlements were paid in different months last year and arrears in January 1988 were greater than in January 1989.

In production industries, the underlying increase in average weekly earnings in the year to January was about 9 per cent, the same as the year to December, which has been revised upwards from 8.75 per cent. In manufacturing industries, the underlying increase in the year to January was about 9 per cent, similar to the increase in the year to December, which has also been revised up from 8.75 per cent.

Productivity

Manufacturing output per head in the three months to January was 0.9 per cent higher than in the three months ending October and 6.0 per cent higher than in the same period a year earlier. Output per head in the whole economy in the third quarter of 1988 was 0.8 per cent higher than in the previous quarter and 1.1 per cent higher than in the same period a year earlier.

Unit wage and salary costs

In the three months ending January 1989, wages and salaries per unit of output in manufacturing industries were 2.9 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing as there was a rise of about 6 per cent in productivity over this period.

Output

In the three months to January 1989, output of the production industries was provisionally estimated to have fallen by $\frac{1}{2}$ per cent compared with the previous three months. Manufacturing output in the three months to January was 1 per cent higher than in the previous three months and 7 per cent higher than in the same period a year earlier. The output of the energy sector in the three months to January, which was affected by the loss of production from Piper Alpha, its associated fields and other interruptions to oil extraction, fell by 4.5 per cent compared with the previous three months and was 9.5 per cent lower than in the same period a year earlier.

There was an increase of ½ per cent in the output measure of gross domestic product, GDP(O), between the third and fourth quarters of 1988 and the level in the fourth quarter was 3 per cent higher than in the same quarter a year previously. Output of the service industries was flat between the third and fourth quarters of 1988. Within this sector, distribution, catering and related activities rose by ½ per cent but there was no change in transport and communication industries. The output of the production industries was unchanged between the third and fourth quarters of 1988. Within this sector, manufacturing output rose by ½ per cent while the output of the energy and water supply industries fell by 2 per cent.

Consumers' expenditure

The provisional estimate of the index of the volume of retail sales in February was 140.8 (1980=100), well above the figure for January but the same as the level in the fourth quarter of 1988. In the three months from December to February, the level of sales was the same as in the previous three months (after seasonal adjustment) and 4 per cent higher than in the corresponding period a year earlier.

Consumers' expenditure at constant prices rose between the third and fourth quarters of 1988 to a level 6 per cent above the fourth quarter of 1987.

Gross Domestic Product

Provisional estimates of the average measure of gross domestic product (GDP) at constant factor cost suggest that the level of economic activity in 1988 was 4 per cent higher than 1987. The average measure of GDP at current market prices ("money GDP") was 10.5 per cent higher in the fourth quarter of 1988 than in the same period of 1987.

Balance of payments

The current account for February is estimated to have been in deficit by £1696 million compared with a deficit of £1599 million in January. In the three months ended February the current account showed a deficit of £4.8 billion compared with a deficit of £4.7 billion in the previous three months. There was a deficit on visible trade of £6.1 billion in the latest three months compared with a deficit of £6.0 billion in the three months ended November. The surplus on invisibles in the latest three months is projected at £1.3 billion.

The deficit on visible trade in February was £2196 million compared with a deficit of £2099 million in January.The value of exports in February was 7.5 per cent lower than in January; excluding oil and the erratic items, they fell by 4 per cent. The value of imports in February was 4.5 per cent lower than in January; excluding oil and the erratic items, they were 5 per cent lower than in January.

By volume, exports rose by 1 per cent in the latest three months. Excluding oil and the erratic items, export volume rose by 3.5 per cent in the latest three months but was 9.5 per cent higher than in the same period a year ago. The underlying level of non-oil export volume has started to rise again in recent months.

Total import volume in the latest three months was 4 per cent higher than in the previous three months and 16 per cent higher than in the same period last year. Excluding oil and the erratic items, import volume rose by 3.5 per cent in the latest three months to be 16 per cent higher than in the same period a year ago. The underlying level of non-oil import volume has continued to rise.

Prices (not seasonally adjusted)

The general index of retail prices for all items for February 1989 was 111.8 (January 1987=100). This represents an increase of 0.7 per cent on January 1989 and an increase of 7.8 per cent on February 1988. The rise in the index between January and February was mainly the result of higher mortgage interest payments as the remainder of the latest round of mortgage interest rate increases took effect. The Tax and Price Index for February 1989 was 108.0 (January 1987=100), 6.1 per cent higher than in February 1988 compared with an increase of 7.8 per cent in the Retail Prices Index in the same period.

The price index for materials and fuel purchased by manufacturing industry rose by 5.1 per cent in the twelve months ended February after having risen 5.9 per cent in the twelve months ended January. Between January and February the index fell by 2.1 per cent because of a seasonal fall in the costs of industrial electricity and lower prices for metals. The seasonally adjusted index fell by 0.2 per cent between and January and February.

Monetary aggregates

Provisional information suggests that in the twelve months to February and before seasonal adjustment, M0 rose by 6.6 per cent, M3 by 22.6 per cent, M4 by 18.6 per cent and M5 by 17.8 per cent. Between January and February 1989, M0 fell by 2.2 per cent, M3 rose by 1.2 per cent, M4 rose by 0.9 per cent and M5 rose by 0.8 per cent, before seasonal adjustment. After seasonal adjustment, M0 fell by 0.6 per cent, M3 rose by 1.7 per cent, M4 rose by 1.9 per cent and M5 rose by 1.8 per cent.

1 Selected monthly indicators

	Volume of retail sales (GB)+ (1980=100)[1]	Index of output of production industries (1985=100)	Unemployed (thousands)	Vacancies at job centres (thousands)	Average earnings - whole economy (GB) (1985=100)	Producer price index of materials and fuel (1985=100)	Retail prices index (all items) (January 1987=100) (NSA)	Tax and price index (January 1987=100) (NSA)	Sterling exchange rate index (1985=100) (NSA)	UK official reserves ($ million) (NSA)	Balance of payments: current balance (£ million)	Money stock M3 (£ million)
	FAAM	DVIM	BCJD	DPCB	DNAB	DZDQ	CHAW	DQAB	AJHV	AIPI	AIMF	AGBC
1987 Aug	131.6	107.2	2 766.6	237.7	117.1	96.7	102.1	100.0	90.0	34 365	-698†	173 056†
Sep	132.0*	105.8	2 718.1	244.4	117.4	96.3	102.4	100.4	90.9	34 808	-169	174 532
Oct	133.0	108.0	2 663.9	259.9	118.8	96.5	102.9	100.9	91.4	41 399	-505	179 937
Nov	133.5	107.8†	2 604.4	265.1	120.2	95.6	103.4	101.5	93.2	41 281	-712	180 452
Dec	133.4*	108.1	2 568.6	254.9	121.0	95.6	103.3	101.4	93.6	44 326	-841	184 698
1988 Jan	135.0	108.2	2 519.4	250.8	121.8	95.4	103.3	101.4	92.8	43 093	-1 113	185 931
Feb	135.4	108.5	2 485.0	249.6	122.0	95.7	103.7	101.8	92.2	42 927	-1 168	187 762
Mar	135.4*	108.4	2 453.9	249.4	124.0	96.0	104.1	102.3	95.3	47 519	-720	192 350
Apr	136.3	108.7	2 402.9	255.9	124.4	96.9	105.8	101.4	97.2	47 857	-815	195 277
May	137.7	109.4	2 363.8	254.5	124.2	98.2	106.2	101.9	97.6	48 533	-1 029	196 175
Jun	137.0*	109.9	2 324.1	255.1	125.1	100.1	106.6	102.3	95.3	48 519	-901	201 101
Jul	140.0	110.6	2 267.3	249.7	126.9	100.5	106.7	102.4	94.7	49 826	-1 813	206 901
Aug	139.5	110.6	2 225.6	242.8	126.6	99.8	107.9	103.7	96.1	50 639	-905	208 797
Sep	138.4*	111.2	2 191.7	240.3	127.6	99.3	108.4	104.3	94.8	50 482	-720	214 187
Oct	141.2	110.6	2 157.9	251.2	129.5	99.0	109.5	105.4	95.7	50 048	-2 382	215 653
Nov	140.4	111.3	2 105.2	245.2	130.7	99.7	110.0	106.0	96.6	51 040	-1 612	217 704
Dec	140.8*	110.4	2 037.4†	238.3	134.3†	100.3†	110.3	106.3	97.7	51 685	-1 489	223 026
1989 Jan	137.4†	109.1	1 987.8	229.2	133.3	101.0	111.0	107.1	97.9	51 705	-1 599	225 898
Feb	140.8	..	1 946.6	228.1†	..	100.8	111.8†	108.0†	97.4†	51 683†	-1 696	..
Percentage change, latest three months on previous three months												
1987 Aug	*2.4*	*0.8*	*-4.3*	*5.8*	*2.0*	*2.0*	*0.5*	*-0.2*	*0.2*			
Sep	*2.1*	*1.3*	*-4.6*	*4.7*	*1.8*	*1.8*	*0.2*	*0.3*	-			
Oct	*2.4*	*1.4*	*-4.8*	*5.9*	*1.6*	*1.0*	*0.6*	*0.7*	*0.1*			
Nov	*1.7*	*1.2*	*-5.3*	*8.9*	*1.9*	*-0.2*	*0.9*	*1.1*	*1.7*			
Dec	*1.4*	*1.5*	*-5.5*	*8.7*	*2.4*	*-0.7*	*1.1*	*1.2*	*2.5*			
1988 Jan	*1.3*	*1.0*	*-5.6*	*3.9*	*2.7*	*-1.0*	*0.8*	*1.0*	*2.7*			
Feb	*1.3*	*0.4*	*-5.2*	*-1.8*	*2.4*	*-0.6*	*0.5*	*0.6*	*1.1*			
Mar	*1.5*	*-0.2*	*-4.8*	*-3.9*	*2.2*	*-0.2*	*0.5*	*0.6*	*0.8*			
Apr	*1.3*	*-0.1*	*-4.6*	*-2.1*	*2.1*	*0.7*	*1.2*	*0.4*	*1.8*			
May	*1.4*	*1.1*	*-4.7*	*0.6*	*2.1*	*1.5*	*1.9*	*0.3*	*4.1*			
Jun	*1.3*	*1.5*	*-4.9*	*2.1*	*1.5*	*2.8*	*2.4*	-	*3.5*			
Jul	*1.8*	*1.9*	*-5.3*	*0.6*	*1.5*	*3.5*	*1.9*	*0.4*	*1.0*			
Aug	*1.7*	*1.4*	*-5.6*	*-1.6*	*1.5*	*3.2*	*1.6*	*0.9*	*-1.4*			
Sep	*1.6*	*1.3*	*-5.7*	*-4.3*	*1.9*	*1.5*	*1.4*	*1.6*	*-1.6*			
Oct	*1.1*	*0.8*	*-5.5*	*-3.3*	*2.0*	*-0.2*	*2.0*	*2.2*	*-0.3*			
Nov	*0.8*	*0.6*	*-5.3*	*-1.5*	*2.5*	*-0.8*	*2.1*	*2.4*	*0.3*			
Dec	*1.1*	-	*-5.7*	*0.3*	*3.5*	*-0.2*	*2.1*	*2.4*	*1.5*			
1989 Jan	-	*-0.5*	*-6.8*	*-2.9*	*3.8*	*1.0*	*1.7*	*1.9*	*2.0*			
Feb	*-0.2*	..	*-7.5*	*-5.6*	..	*1.4*	*1.6*	*1.8*	*2.1*			
Percentage change, latest three months on corresponding period of previous year												
1987 Aug	*6.1*	*3.8*	*-10.2*	*21.9*	*7.8*	*6.9*	..	..	*-2.7*			
Sep	*6.4*	*3.9*	*-11.5*	*20.4*	*7.9*	*6.7*	..	..	*0.4*			
Oct	*6.3*	*4.3*	*-12.8*	*21.8*	*7.9*	*5.5*	..	..	*4.0*			
Nov	*5.8*	*3.8*	*-14.1*	*24.5*	*8.1*	*4.2*	..	..	*6.7*			
Dec	*5.6*	*4.5*	*-15.2*	*24.6*	*8.4*	*3.4*	..	..	*8.9*			
1988 Jan	*6.4*	*4.9*	*-16.4*	*22.0*	*8.6*	*2.5*	..	..	*9.1*			
Feb	*6.9*	*4.1*	*-16.9*	*19.1*	*8.6*	*2.1*	..	..	*8.8*			
Mar	*7.8*	*3.9*	*-17.4*	*16.8*	*8.8*	*1.9*	*3.4*	*1.4*	*7.8*			
Apr	*6.5*	*3.1*	*-17.8*	*16.3*	*8.9*	*2.1*	*3.6*	*1.5*	*7.6*			
May	*7.0*	*3.6*	*-18.1*	*13.7*	*8.7*	*2.8*	*3.9*	*1.8*	*7.4*			
Jun	*6.4*	*4.1*	*-18.5*	*11.8*	*8.2*	*3.8*	*4.3*	*2.1*	*6.9*			
Jul	*7.0*	*4.3*	*-18.6*	*8.4*	*8.0*	*4.3*	*4.5*	*2.4*	*5.8*			
Aug	*6.3*	*4.2*	*-19.2*	*5.8*	*8.1*	*4.0*	*5.0*	*3.0*	*5.6*			
Sep	*5.9*	*4.1*	*-19.4*	*2.1*	*8.3*	*3.5*	*5.5*	*3.4*	*5.2*			
Oct	*5.6*	*3.6*	*-19.3*	*-1.0*	*8.5*	*3.0*	*6.0*	*4.0*	*5.3*			
Nov	*5.3*	*3.6*	*-19.2*	*-4.3*	*8.7*	*3.3*	*6.2*	*4.3*	*4.2*			
Dec	*5.6*	*2.6*	*-19.6*	*-5.8*	*9.5*	*3.9*	*6.5*	*4.6*	*4.2*			
1989 Jan	*4.3*	*2.1*	*-20.3*	*-7.5*	*9.7*	*5.0*	*6.9*	*5.0*	*4.5*			
Feb	*3.8*	..	*-21.1*	*-7.9*	..	*5.4*	*7.3*	*5.5*	*5.2*			

1 The series has been revised to take account of updated seasonal adjustment factors.

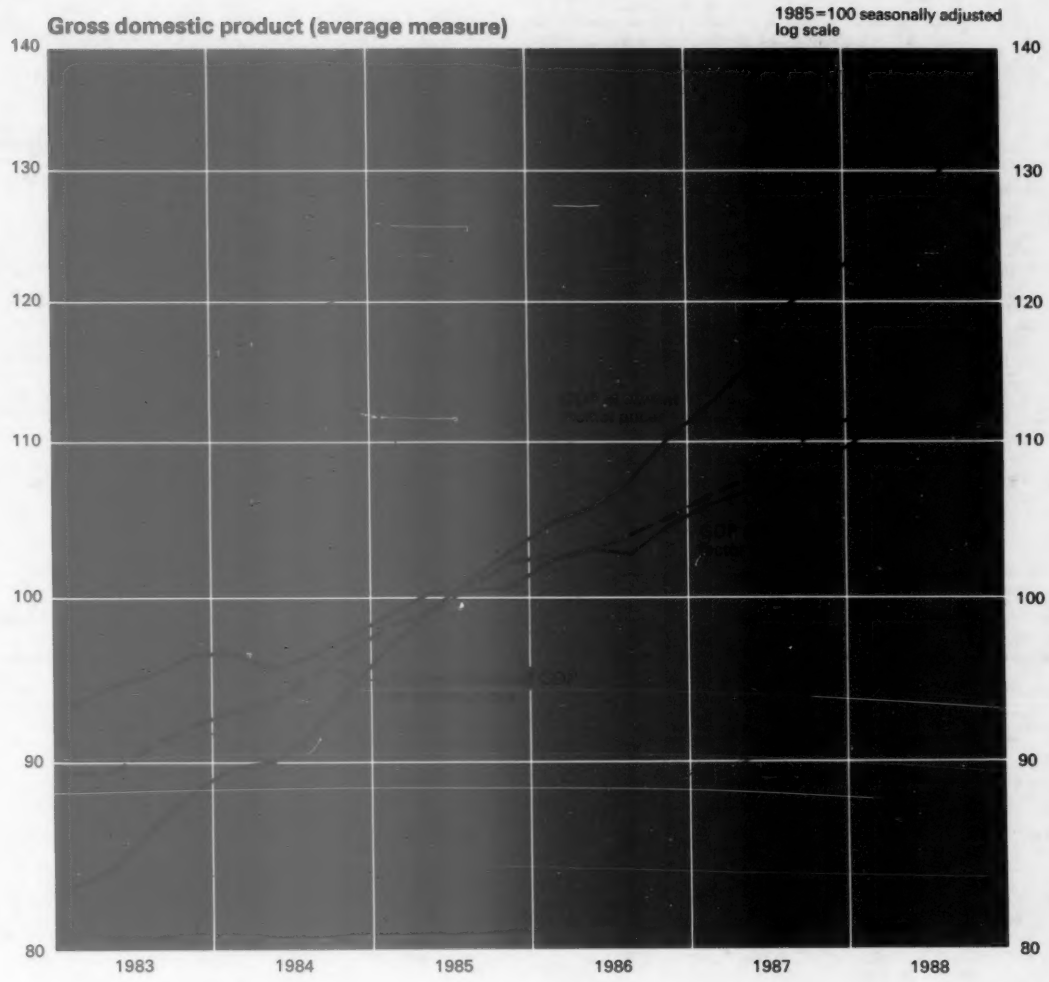
Sources: Department of Trade and Industry; Department of Employment; Central Statistical Office; Bank of England

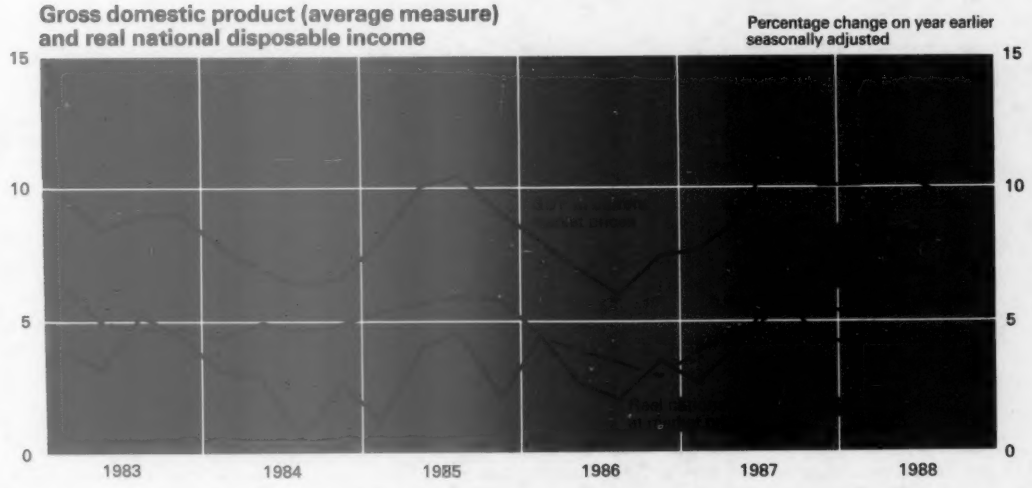
2 National accounts aggregates

	Gross domestic product										Implied gross domestic product deflators based on expenditure data	
	At current prices				At 1985 prices							
	At market prices		At factor cost			At factor cost				Gross national disposable income: average estimate at 1985 market prices[3] (1985=100)	At market prices (1985=100)	At factor cost[4] (1985=100)
	Average estimate (£ mn)	Average estimate[1] (1985=100)	Expenditure-based estimate (£ mn)	Income-based estimate (£ mn)	Average estimate at market prices (1985=100)	Average estimate (1985=100)	Expenditure-based estimate (1985=100)	Income-based estimate[2] (1985=100)	Output-based estimate (1985=100)			
	CAOB	DJCL	DJAE	DJAL	FNAO	DJDD	DJDE	DIAR	DSAE	DJCR	DJDT	DJCM
1979	197 415	55.7	172 108	171 698	93.0	92.8	92.8	92.3	92.9	91.5	59.9	61.0
1980	230 671	65.1	200 453	199 377	90.8	90.7	91.1	90.3	90.2	90.0	71.7	72.3
1981	253 914†	71.6†	218 736	217 716	89.6†	89.7	90.3	89.5	89.0	89.6†	79.9	79.7
1982	277 973	78.4	236 951	238 025	91.2	91.3†	91.4	91.5	90.9	91.2	86.0	85.2
1983	302 982	85.5	260 027	260 925	94.5	94.7	95.0	95.0	94.0	95.0	90.4	90.0
1984	324 077	91.4	277 981†	278 175†	96.6	96.4	96.2	95.9†	97.0†	97.2	94.6	94.9†
1985	354 454	100.0	304 437	305 429	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	378 767	106.9	322 550	321 978	103.2	103.0	103.2†	102.7	102.9	103.0	103.5†	102.6
1987	415 017	117.1	352 791	352 295	108.0	107.5	107.7	107.2	107.8	107.5	108.4	107.6
1988	458 613	129.4	384 778	390 992	111.9	111.6	110.5	111.9	112.4	112.2	115.6	114.4
			DJBA	DJBE								
1984 Q2	79 815†	90.1†	68 165†	68 226†	96.0	95.5†	95.0†	94.8†	96.6†	96.4†	93.8†	94.3†
Q3	81 377	91.8	69 422	70 087	96.5†	96.3	95.8	96.4	96.6	96.4	95.2	95.3
Q4	83 430	94.2	72 028	72 004	97.6	97.4	97.5	97.1	97.6	98.8	96.5	97.1
1985 Q1	85 756	96.8	74 103	73 782	98.7	98.6	98.8	98.1	98.9	98.3	98.0	98.5
Q2	87 912	99.2	75 792	75 761	100.0	100.2	100.3	99.9	100.4	100.1	99.2	99.3
Q3	89 756	101.3	77 023	77 262	100.6	100.6	100.8	100.8	100.1	100.7	100.7	100.4
Q4	91 030	102.7	77 519	78 624	100.6	100.6	100.1	101.2	100.6	100.8	102.1	101.8
1986 Q1	92 562	104.5	79 151	79 553	101.8	101.7	101.8	102.0	101.3	102.8	102.6	102.1
Q2	93 782	105.8	80 225	79 925	103.0	102.8	103.5	102.7	102.3	102.7	102.7	101.9
Q3	94 818	107.0	80 240	80 075	103.1	102.7	102.7	102.2	103.3	102.4	103.8	102.6
Q4	97 605	110.1	82 934	82 425	104.9	104.6	105.0	104.0	104.8	104.3	105.0	103.8
1987 Q1	99 704	112.5	85 216	84 591	105.5	105.3	105.8	104.6	105.4	105.2	106.6	105.9
Q2	101 814	114.9	86 545	86 973	107.3	106.9	106.8	107.0	106.9	106.8	107.1	106.4
Q3	105 750	119.3	90 124	89 629	109.4	109.0	109.6	108.6	108.7	108.9	109.0	108.1
Q4	107 749	121.6	90 906	91 102	109.6	109.0	108.5	108.4	110.1	109.1	110.9	110.1
1988 Q1	110 387	124.6	92 806	95 487	111.2	111.2	109.8	112.6	111.2	110.6	112.0	111.1
Q2	113 197	127.7	95 744	95 918	111.7	111.4	111.2	111.1	111.8	111.9	114.4	113.1
Q3	116 159	131.1	96 393	99 206	111.8	111.5	109.3	112.1	113.2	113.2	117.3	115.9
Q4	118 870	134.1	99 835	100 381	112.9	112.3	111.5	111.8	113.5	113.3	118.8	117.6
Percentage change, quarter on corresponding quarter of previous year[5]												
1984 Q2	*7.1*	*7.1*	*7.6*	*5.5*	*1.9*	*1.2*	*1.1*	*-0.9*	*3.6*	*3.0*	*5.1*	*6.5*
Q3	*6.5*	*6.5*	*5.6*	*6.4*	*1.8*	*1.3*	*0.4*	*1.2*	*2.2*	*0.6*	*4.6*	*5.1*
Q4	*6.6*	*6.6*	*7.3*	*6.6*	*1.8*	*1.5*	*1.5*	*0.9*	*2.1*	*2.7*	*4.7*	*5.7*
1985 Q1	*7.9*	*7.9*	*8.4*	*8.7*	*2.5*	*2.3*	*2.4*	*2.7*	*2.0*	*1.2*	*5.3*	*5.8*
Q2	*10.1*	*10.1*	*11.2*	*11.0*	*4.2*	*4.9*	*5.6*	*5.4*	*3.9*	*3.9*	*5.7*	*5.3*
Q3	*10.3*	*10.3*	*10.9*	*10.2*	*4.3*	*4.5*	*5.3*	*4.6*	*3.6*	*4.5*	*5.8*	*5.4*
Q4	*9.1*	*9.1*	*7.6*	*9.2*	*3.1*	*3.3*	*2.7*	*4.2*	*3.0*	*2.0*	*5.8*	*4.8*
1986 Q1	*7.9*	*7.9*	*6.8*	*7.8*	*3.1*	*3.1*	*3.1*	*4.0*	*2.3*	*4.5*	*4.6*	*3.6*
Q2	*6.7*	*6.7*	*5.8*	*5.5*	*3.0*	*2.6*	*3.2*	*2.8*	*1.9*	*2.5*	*3.6*	*2.6*
Q3	*5.6*	*5.6*	*4.2*	*3.6*	*2.5*	*2.2*	*1.9*	*1.4*	*3.2*	*1.7*	*3.1*	*2.2*
Q4	*7.2*	*7.2*	*7.0*	*4.8*	*4.3*	*3.9*	*4.9*	*2.8*	*4.2*	*3.4*	*2.8*	*2.0*
1987 Q1	*7.7*	*7.7*	*7.7*	*6.3*	*3.6*	*3.5*	*3.8*	*2.6*	*4.1*	*2.4*	*3.9*	*3.7*
Q2	*8.6*	*8.6*	*7.9*	*8.8*	*4.1*	*4.0*	*3.3*	*4.2*	*4.5*	*4.0*	*4.3*	*4.5*
Q3	*11.5*	*11.5*	*12.3*	*11.9*	*6.1*	*6.1*	*6.7*	*6.3*	*5.2*	*6.3*	*5.1*	*5.3*
Q4	*10.4*	*10.4*	*9.6*	*10.5*	*4.5*	*4.2*	*3.4*	*4.2*	*5.1*	*4.7*	*5.7*	*6.0*
1988 Q1	*10.7*	*10.7*	*8.9*	*12.9*	*5.4*	*5.6*	*3.8*	*7.6*	*5.5*	*5.1*	*5.1*	*4.9*
Q2	*11.2*	*11.2*	*10.6*	*10.3*	*4.1*	*4.2*	*4.1*	*3.8*	*4.6*	*4.8*	*6.8*	*6.3*
Q3	*9.8*	*9.8*	*7.0*	*10.7*	*2.2*	*2.3*	*-0.3*	*3.2*	*4.1*	*3.9*	*7.5*	*7.3*
Q4	*10.3*	*10.3*	*9.8*	*10.2*	*3.0*	*3.0*	*2.8*	*3.1*	*3.1*	*3.8*	*7.1*	*6.9*

1 "Money GDP".
2 Income data deflated by the implied GDP deflator at factor cost based on expenditure data.
3 Also known as Real national disposable income (RNDI).
4 Also known as the Index of total home costs.
5 These estimates of change are based in some cases on less rounded figures than in the table.

Source: Central Statistical Office


Gross domestic product (average measure)
1985=100 seasonally adjusted
log scale
140
130
120
110
100
90
80
1983
1984
1985
1986
1987
1988


Gross domestic product (average measure)
and real national disposable income
Percentage change on year earlier
seasonally adjusted
15
10
5
0
1983
1984
1985
1986
1987
1988

3 Gross domestic product: by category of expenditure[1]

£ million, 1985 prices

	At market prices													
	Final expenditure on goods and services													
		General government final consumption												
	Consumers' expenditure	Central government	Local authorities	Total	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Total	*less* Imports of goods and services	Gross domestic product (expenditure based)	*less* Factor cost adjustment	Gross domestic product (expenditure based) at factor cost	Statistical discrepancy (expenditure adjustment)	Gross domestic product (average estimate) at factor cost[2]
	CCBH	DJDK	DJDL	DJCZ	DFDM	DHBK	DJCV	DJDA	DJCY	DJCX	DJCU	DJCW	GIXS	CAOP
1979	193 794	42 519	27 410	69 943	56 450	3 325	88 789	412 902	84 019	328 864	46 610	282 322	459	282 782
1980	193 806	43 775	27 272	71 050	53 416	-3 357	88 963	403 713	81 185	322 501	45 305	277 238	-744	276 495
1981	193 832	44 195	27 074	71 269	48 298	-3 191	88 205	397 812	78 922	318 852	44 246	274 614	-1 153†	273 462†
1982	195 561	44 509	27 318	71 826	50 915	-1 289	89 000	405 733	82 847	322 870	44 895	277 989	429	278 420
1983	204 318	45 370	27 912	73 282	53 476	1 306	91 092	423 474	88 119	335 355	46 390	288 965	-262	288 703
1984	207 927	45 755†	28 142	73 897†	58 075	1 072	97 029†	438 000†	96 687†	341 313†	48 514†	292 799†	1 110	293 909
1985	215 535†	45 936	28 019	73 955	60 283	569	102 782	453 124	99 166	353 958	49 521	304 437	496	304 933
1986	227 757	46 800	28 598†	75 398	61 293†	689†	106 607	471 744	105 521	366 223	51 893	314 330	-360	313 970
1987	240 100	46 530	29 668	76 198	66 373	916	112 355	495 942	113 370	382 572	54 767	327 805	128	327 933
1988	255 624	46 630	29 971	76 601	74 219	1 945	111 195	519 584	126 894	392 690	56 412	336 278	3 979	340 257
	CAAB	DIAV	DIAW	DIAT	DECU	DGBA	DJDG	DIAU	DJDJ	DJDI	DIAS	DJDH		
1983 Q3	51 586	11 315	6 925	18 240	13 179	585	22 710	106 300	22 165	84 135	11 563	72 572	-88†	72 484†
Q4	51 636	11 350	7 049	18 399	13 929	284	23 437	107 685	22 856	84 829	11 756	73 073	131	73 204
1984 Q1	51 512	11 194†	7 103	18 297†	14 406	341	23 858†	108 414†	23 100†	85 314†	11 886†	73 428†	28	73 456
Q2	52 159	11 573	7 028	18 601	14 404	-184	23 669	108 649	24 068	84 581	12 278	72 303	488	72 791
Q3	51 778	11 390	7 036	18 426	14 570	89	24 431	109 294	24 289	85 005	12 129	72 876	516	73 392
Q4	52 478	11 598	6 975	18 573	14 695	826	25 071	111 643	25 230	86 413	12 221	74 192	78	74 270
1985 Q1	53 239†	11 556	6 978	18 534	15 832	-194	25 510	112 921	25 408	87 513	12 310	75 203	-35	75 168
Q2	53 225	11 406	7 041	18 447	14 756	603	26 171	113 202	24 626	88 576	12 243	76 333	56	76 389
Q3	54 315	11 468	6 942	18 410	14 917	318	25 448	113 408	24 199	89 209	12 491	76 718	-49	76 669
Q4	54 756	11 506	7 058	18 564	14 778	-158	25 653	113 593	24 933	88 660	12 477	76 183	524	76 707
1986 Q1	55 772	11 677	7 112	18 789	15 044†	383†	25 750	115 738	25 537	90 201	12 694	77 507	24	77 531
Q2	56 877	11 762	7 035†	18 797	14 957	218	26 737	117 586	25 954	91 632	12 889	78 743	-350	78 393
Q3	57 318	11 654	7 208	18 862	15 593	-442	26 698	118 029	26 801	91 228	13 045	78 183	142	78 325
Q4	57 790	11 707	7 243	18 950	15 699	530	27 422	120 391	27 229	93 162	13 265	79 897	-176	79 721
1987 Q1	58 343	11 334	7 313	18 647	15 843	-124	27 831	120 540	26 784	93 756	13 265	80 491	-241	80 250
Q2	59 280	11 635	7 433	19 068	16 285	157	27 821	122 611	27 752	94 859	13 538	81 321	188	81 509
Q3	60 635	11 774	7 490	19 264	16 834	1 133	28 544	126 410	29 100	97 310	13 911	83 399	-331	83 068
Q4	61 842	11 787	7 432	19 219	17 411	-250	28 159	126 381	29 734	96 647	14 053	82 594	512	83 106
1988 Q1	62 951	11 580	7 485	19 065	17 725	40	27 404	127 185	29 813	97 372	13 806	83 566	1 195	84 761
Q2	62 932	11 651	7 501	19 152	18 923	607	28 454	130 068	31 340	98 728	14 064	84 664	244	84 908
Q3	64 285	11 605	7 528	19 133	18 674	-265	27 995	129 822	32 581	97 241	14 071	83 170	1 842	85 012
Q4	65 456	11 794	7 457	19 251	18 897	1 563	27 342	132 509	33 160	99 349	14 471	84 878	698	85 576
Percentage change, quarter on corresponding quarter of previous year														
1983 Q3	*5.0*	*2.3*	*1.5*	*1.9*	*0.8*		*3.0*	*5.2*	*6.7*	*4.8*	*3.1*	*5.1*		*4.1*
Q4	*3.7*	*1.8*	*1.4*	*1.5*	*6.2*		*4.5*	*5.6*	*12.5*	*3.9*	*3.2*	*4.0*		*4.2*
1984 Q1	*2.3*	*-1.0*	*2.0*	*0.1*	*8.3*		*5.7*	*3.6*	*8.1*	*2.4*	*3.2*	*2.3*		*3.3*
Q2	*2.8*	*1.6*	*0.7*	*1.3*	*10.2*		*5.8*	*3.7*	*10.8*	*1.8*	*6.3*	*1.1*		*1.2*
Q3	*0.4*	*0.7*	*1.6*	*1.0*	*10.6*		*7.6*	*2.8*	*9.6*	*1.0*	*4.9*	*0.4*		*1.3*
Q4	*1.8*	*2.2*	*-1.0*	*0.9*	*5.5*		*7.0*	*3.7*	*10.4*	*1.9*	*4.0*	*1.5*		*1.5*
1985 Q1	*3.4*	*3.2*	*-1.8*	*1.3*	*9.9*		*6.9*	*4.2*	*10.0*	*2.6*	*3.6*	*2.4*		*2.3*
Q2	*2.0*	*-1.4*	*0.2*	*-0.8*	*2.4*		*10.6*	*4.2*	*2.3*	*4.7*	*-0.3*	*5.6*		*4.9*
Q3	*4.9*	*0.7*	*-1.3*	*-0.1*	*2.4*		*4.2*	*3.8*	*-0.4*	*4.9*	*3.0*	*5.3*		*4.5*
Q4	*4.3*	*-0.8*	*1.2*	*-*	*0.6*		*2.3*	*1.7*	*-1.2*	*2.6*	*2.1*	*2.7*		*3.3*
1986 Q1	*4.8*	*1.0*	*1.9*	*1.4*	*-5.0*		*0.9*	*2.5*	*0.5*	*3.1*	*3.1*	*3.1*		*3.1*
Q2	*6.9*	*3.1*	*-0.1*	*1.9*	*1.4*		*2.2*	*3.9*	*5.4*	*3.5*	*5.3*	*3.2*		*2.6*
Q3	*5.5*	*1.6*	*3.8*	*2.5*	*4.5*		*4.9*	*4.1*	*10.8*	*2.3*	*4.4*	*1.9*		*2.2*
Q4	*5.5*	*1.7*	*2.6*	*2.1*	*6.2*		*6.9*	*6.0*	*9.2*	*5.1*	*6.3*	*4.9*		*3.9*
1987 Q1	*4.6*	*-2.9*	*2.8*	*-0.8*	*5.3*		*8.1*	*4.1*	*4.9*	*3.9*	*4.5*	*3.8*		*3.5*
Q2	*4.2*	*-1.1*	*5.7*	*1.4*	*8.9*		*4.1*	*4.3*	*6.9*	*3.5*	*5.0*	*3.3*		*4.0*
Q3	*5.8*	*1.0*	*3.9*	*2.1*	*8.0*		*6.9*	*7.1*	*8.6*	*6.7*	*6.6*	*6.7*		*6.1*
Q4	*7.0*	*0.7*	*2.6*	*1.4*	*10.9*		*2.7*	*5.0*	*9.2*	*3.7*	*5.9*	*3.4*		*4.2*
1988 Q1	*7.9*	*2.2*	*2.4*	*2.2*	*11.9*		*-1.5*	*5.5*	*11.3*	*3.9*	*4.1*	*3.8*		*5.6*
Q2	*6.2*	*0.1*	*0.9*	*0.4*	*16.2*		*2.3*	*6.1*	*12.9*	*4.1*	*3.9*	*4.1*		*4.2*
Q3	*6.0*	*-1.4*	*0.5*	*-0.7*	*10.9*		*-1.9*	*2.7*	*12.0*	*-0.1*	*1.2*	*-0.3*		*2.3*
Q4	*5.8*	*0.1*	*0.3*	*0.2*	*8.5*		*-2.9*	*4.8*	*11.5*	*2.8*	*3.0*	*2.8*		*3.0*

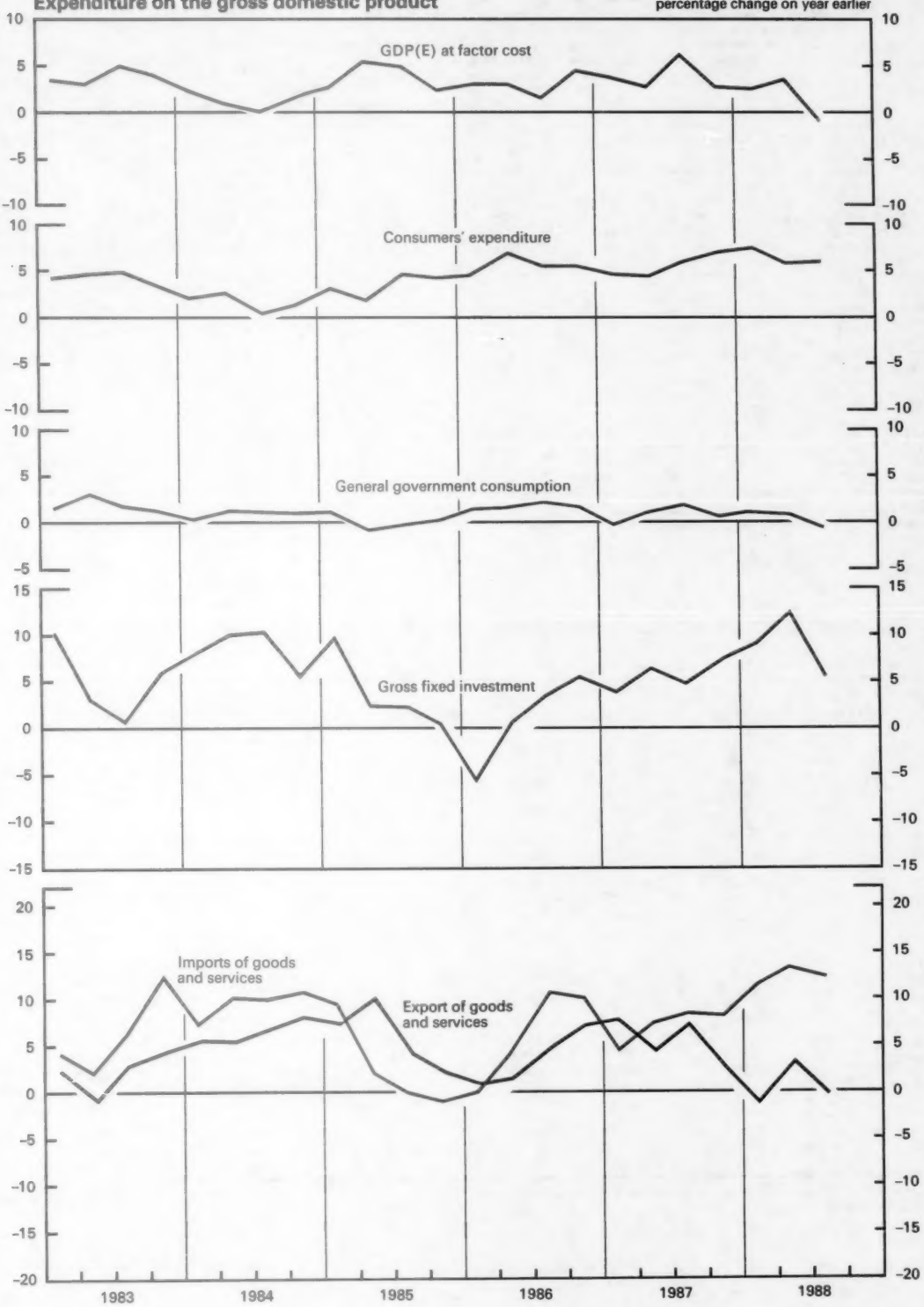
1 For years up to and including 1982, totals differ from the sum of the components because of the method used to rebase on 1985 prices.

2 Average estimates are made in seasonally adjusted form only. No equivalent unadjusted estimates exist.

Source: Central Statistical Office

Expenditure on the gross domestic product

1985 prices seasonally adjusted
percentage change on year earlier



4 Personal disposable income and consumption

	£ million, current prices					£ million, 1985 prices		
	Personal income before tax							
	Total[1]	of which: Wages, salaries and forces' pay	Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3] (percentage)+	Real personal disposable income[4] +	Real consumers' expenditure	Real personal disposable income at 1985 prices (1985=100)
	AIIQ	AIJB	AIIW	AIIX	AIIZ	CFAH	CAAB	CFAF
1985	302 254†	168 566†	238 804†	215 535†	*9.7*†	238 804†	215 535†	100.0
1986	325 945	182 677	256 946	237 640	*7.5*	246 260	227 757	103.1†
1987	349 457	198 515	275 386	259 966	*5.6*	254 342	240 100	106.5
1988	385 580	221 890	303 051	290 706	*4.1*	266 479	255 624	111.6
1985 Q1	73 253†	40 855	57 902†	52 378†	*9.5*†	58 854†	53 239†	98.6†
Q2	74 891	41 652	59 280	52 948	*10.7*	59 589	53 225	99.8
Q3	76 404	42 690†	60 159	54 567	*9.3*	59 879	54 315	100.3
Q4	77 706	43 369	61 463	55 642	*9.5*	60 482	54 756	101.3
1986 Q1	79 436	44 362	62 416	57 368	*8.1*	60 677	55 772	101.6
Q2	80 963	45 318	63 977	58 905	*7.9*	61 771	56 877	103.5
Q3	81 829	46 048	64 690	60 107	*7.1*	61 685	57 318	103.3
Q4	83 717	46 949	65 863	61 260	*7.0*	62 127	57 790	104.1
1987 Q1	85 197	47 580	67 287	62 517	*7.1*	62 788	58 343	105.2
Q2	86 220	48 865	68 036	63 562	*6.6*	63 444	59 280	106.3
Q3	87 536	50 166	68 760	65 877	*4.2*	63 280	60 635	106.0
Q4	90 504	51 904	71 303	68 010	*4.6*	64 830	61 842	108.6
1988 Q1	93 282	53 450	73 379	70 015	*4.6*	65 970	62 951	110.5
Q2	94 2[illegible]3	54 611	74 402	71 063	*4.5*	65 885	62 932	110.4
Q3	96 674	55 948	76 018	73 664	*3.1*	66 336	64 285	111.1
Q4	101 351	57 883	79 252	75 964	*4.1*	68 288	65 456	114.4

1 Before providing for depreciation and stock appreciation.
2 Before providing for depreciation, stock appreciation and additions to tax reserves.
3 Personal savings as a percentage of personal disposable income.
4 Personal disposable income revalued by the implied consumers' expenditure deflator (1985 = 100).

Source: Central Statistical Office

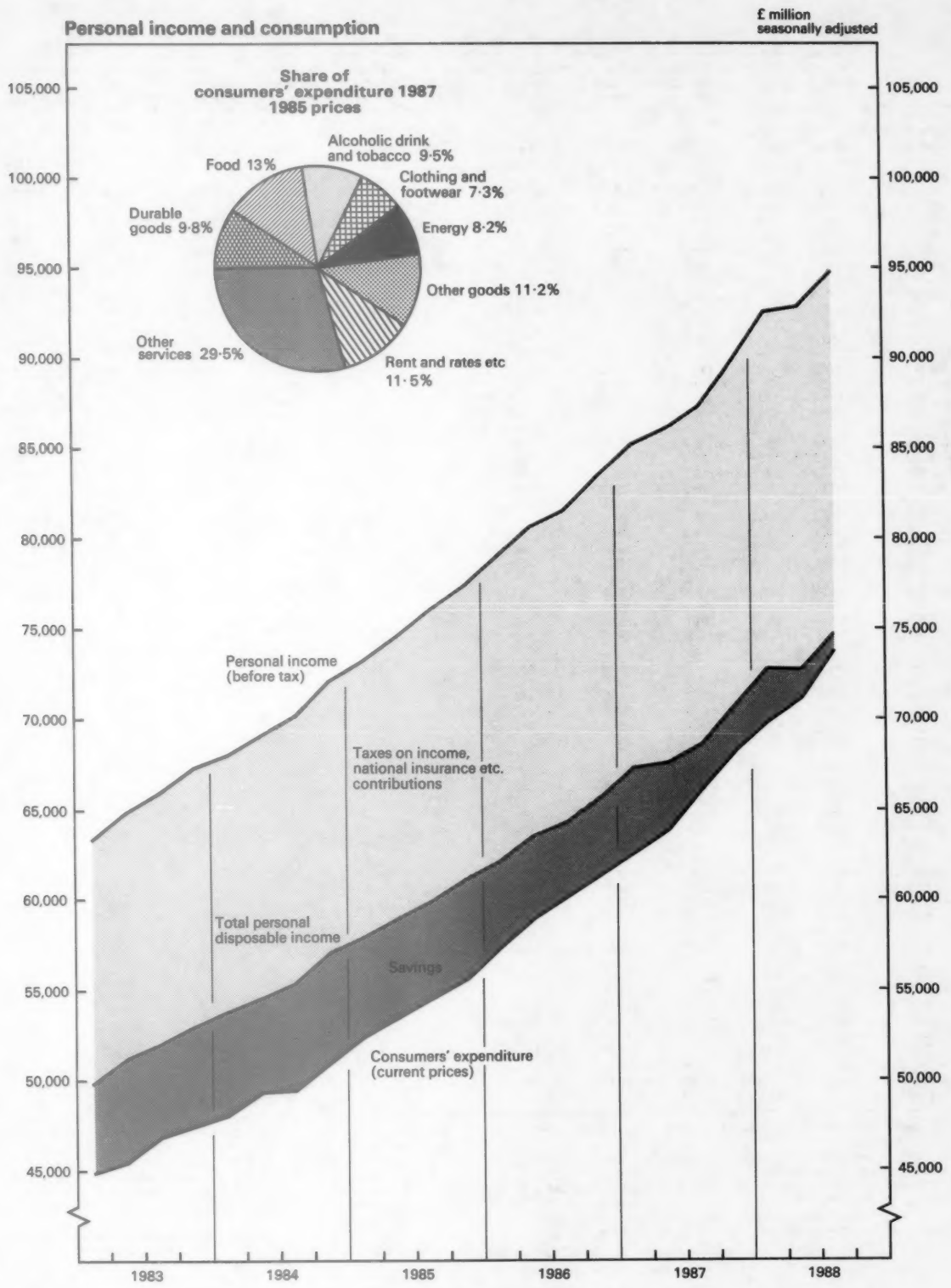
5 Real consumers' expenditure - component categories

£ million, 1985 prices

	Durable goods	Food	Alcoholic drink and tobacco	Clothing and footwear	Energy products	Other goods	Rent, rates and water charges	Other services[1]	Total
	CCBW	CCCA	FCCD	FCCE	CCCG	CCCM	CCCN	CCCJ	CAAB
1985	20 433†	30 064	22 657	15 005†	18 629	23 257†	26 922	58 568†	215 535†
1986	22 249	31 225	22 512	16 319	19 360	24 800	27 269	64 023	227 757
1987	23 920	31 330	22 790	17 477	19 652	26 980	27 633	70 318	240 100
1988	26 329	31 547†	23 404†	18 334	20 168†	29 435	28 002†	78 405	255 624
1984 Q3	4 662	7 289	5 625	3 513	4 410	5 568	6 657	14 056	51 778
Q4	4 970	7 377	5 619	3 571	4 479	5 639	6 678	14 145	52 478
1985 Q1	5 029†	7 422	5 667	3 694†	4 573	5 683†	6 699	14 472†	53 239†
Q2	5 008	7 498	5 639	3 756	4 626	5 768	6 720	14 210	53 225
Q3	5 228	7 581	5 646	3 779	4 724	5 864	6 740	14 753	54 315
Q4	5 168	7 563	5 705	3 776	4 706	5 942	6 763	15 133	54 756
1986 Q1	5 293	7 756	5 595	3 978	4 829	5 973	6 784	15 564	55 772
Q2	5 596	7 831	5 647	4 046	4 884	6 111	6 806	15 956	56 877
Q3	5 693	7 845	5 626	4 125	4 860	6 293	6 828	16 048	57 318
Q4	5 667	7 793	5 644	4 170	4 787	6 423	6 851	16 455	57 790
1987 Q1	5 697	7 674	5 610	4 174	4 878	6 484	6 874	16 952	58 343
Q2	5 887	7 779	5 706	4 324	4 804	6 678	6 896	17 206	59 280
Q3	6 145	7 952	5 723	4 444	4 891	6 864	6 920	17 696	60 635
Q4	6 191	7 925	5 751	4 535	5 079	6 954	6 943	18 464	61 842
1988 Q1	6 348	8 042†	5 835†	4 511	4 933†	7 194	6 966	19 122	62 951
Q2	6 338	7 843	5 856	4 530	4 928	7 214	6 989	19 234	62 932
Q3	6 818	7 818	5 824	4 642	5 113	7 408	7 012	19 650	64 285
Q4	6 825	7 844	5 889	4 651	5 194	7 619	7 035†	20 399	65 456

1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.

Source: Central Statistical Office


Personal income and consumption
£ million
seasonally adjusted
Share of
consumers' expenditure 1987
1985 prices
Alcoholic drink
and tobacco 9·5%
Clothing and
footwear 7·3%
Energy 8·2%
Other goods 11·2%
Rent and rates etc
11·5%
Other
services 29·5%
Durable
goods 9·8%
Food 13%
105,000
100,000
95,000
90,000
85,000
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
Personal income
(before tax)
Taxes on income,
national insurance etc.
contributions
Total personal
disposable income
Savings
Consumers' expenditure
(current prices)
1983
1984
1985
1986
1987
1988

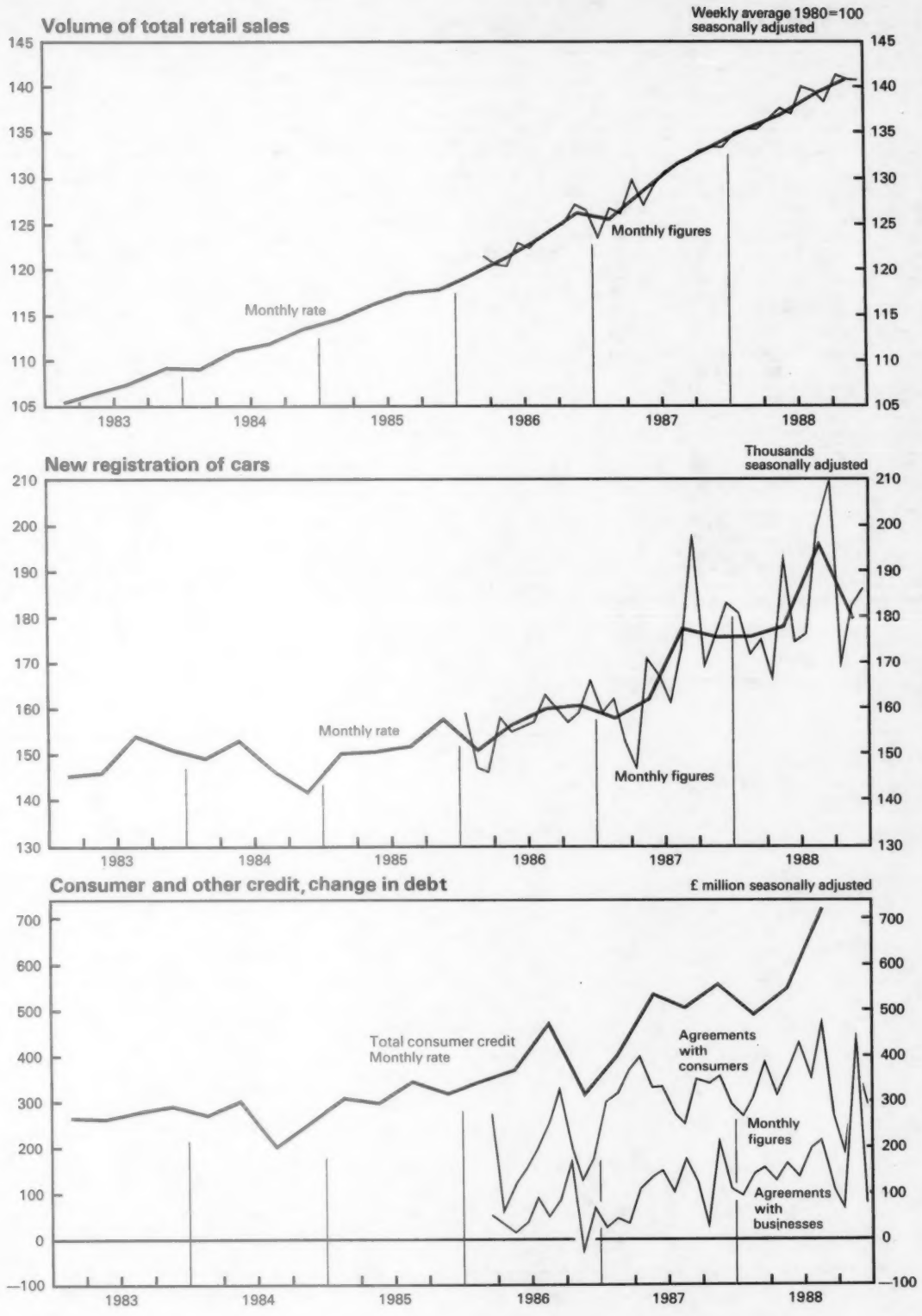
6 Retail sales, new registrations of cars and credit business (Great Britain)

	Value of retail sales per week: total (average 1980=100)[1]	Volume of retail sales per week (average 1980=100)[1]						New registrations of cars+ (monthly average, thousands)	Consumer credit: change in total outstanding (£ million)	Credit business: changes in amounts outstanding[2] (£ million)	
		Total	Food retailers	Mixed retail businesses	Clothing and footwear retailers	Household goods retailers	Other non-food retailers			Agreements with consumers	Agreements with businesses
Sales in 1980 £ million	*58 377*	*58 377*	*22 859*	*10 945*	*5 413*	*9 234*	*9 926*				
	FAAL	FAAM	FAAN	FAAO	FAAP	FAAQ	FAAR	DKBY	AIKM	FSBN	FSBO
1984	138.2	111.3	106.9	111.2	119	126	103	147.3	-3 097†	1 551	748
1985	150.4	116.4	110.8	116.7	128	135	105	152.3	-3 820	2 309	442
1986	162.9	122.6	114.4	123.6	137	150	107	156.0†	-4 500	2 385	822
1987	176.4	129.8	118.8	131.1	148	162	113	168.9	-5 967	3 864†	1 221
1988	193.7	138.2	125.0	138.3	156	178	121	182.4	..	4 035	1 906†
1985 Q1	145.8	114.4	109.1	115.1	125	132	104	150.2	-915†	461	185
Q2	149.4	116.1	110.5	117.5	128	134	105	150.2	-893	496	113
Q3	152.4	117.3	111.8	117.7	128	137	105	151.3	-1 030	656	157
Q4	153.9	117.6	111.7	116.7	130	139	105	157.4	-982	696	-13
1986 Q1	157.2	119.4	113.4	119.9	132	141	105	150.5	-1 035	784	308
Q2	161.2	121.6	113.8	121.8	137	149	106	156.4	-1 105	330	82
Q3	164.8	123.6	114.4	125.5	138	153	108	157.4†	-1 431	770	223
Q4	168.9	126.2	116.3	127.5	140	159	110	159.6	-929	452†	209
1987 Q1	169.4	125.5	116.7	127.2	141	154	109	160.8	-1 182	957	136†
Q2	174.3	128.8	118.0	129.3	147	162	113	164.8	-1 616	1 066	402
Q3	178.7	131.5	119.7	132.5	150	166	115	173.4	-1 518	792	374
Q4	183.1	133.3	120.9	135.5	153	168	117	176.5	-1 651	1 052	309
1988 Q1	187.0	135.3	123.0	136.3	154	173	118	178.1	-1 410	965	387
Q2	191.1	137.0	124.5	136.2	155	176	121	180.3	-1 641	1 105	426
Q3	195.8	139.2	125.5	138.8	158	182	121	192.1	-2 115	1 092	519
Q4	200.1	140.8	126.4	141.4	158	182	125	179.2	..	873	574
1986 Sep	166.4*	124.6*	115.0*	127.0*	141*	154*	108*	151.8†	..	328	82
Oct	167.1	125.0	116.1	126.1	139	155	109	159.6	..	200	172
Nov	169.9	127.0	116.7	130.0	140	159	111	159.0	..	124	-32
Dec	169.5*	126.6*	116.2*	126.7*	142*	162*	110*	160.2	..	177	69
1987 Jan	167.0	123.6	117.5	124.9	140	145	107	158.9	..	299	24
Feb	171.2	126.9	116.4	128.8	142	159	111	164.4	..	315	45
Mar	170.0*	126.0*	116.2*	127.8*	140*	157*	110*	159.0	..	363	36
Apr	175.8	129.8	118.9	131.9	152	159	113	156.1	..	398	107
May	171.7	126.9	117.1	126.7	142	160	111	168.0	..	333	136
Jun	175.1*	129.4*	117.9*	129.4*	146*	165*	113*	170.2	..	337	150
Jul	177.4	130.8	118.8	133.6	151	164	114	167.0	..	277	98
Aug	178.6	131.6	119.7	131.5	151	167	115	166.9	..	250	173
Sep	179.8*	132.0*	120.4*	132.5*	149*	168*	116*	186.3	..	347	125
Oct	181.9	133.0	120.8	136.5	155	166	114	173.2	..	340	26
Nov	183.4	133.5	120.4	137.3	153	168	117	175.9	..	357	217
Dec	183.8*	133.4*	121.2*	133.3*	152*	169*	116*	180.4	..	296	109
1988 Jan	186.3	135.0	122.9	136.7	152	170	119	179.2	..	264	92
Feb	187.1	135.4	122.9	135.6	157	172	118	176.2	..	311	140
Mar	187.5*	135.4*	123.1*	136.6*	153*	175*	116*	178.9	..	390	155
Apr	189.5	136.3	124.3	135.4	152	174	121	172.3	..	313	124
May	191.9	137.7	124.6	135.7	157	178	122	190.6	..	363	165
Jun	191.7*	137.0*	124.6*	137.2*	155*	175*	120*	178.2	..	429	137
Jul	195.9	140.0	125.3	138.9	158	188	121	178.9	..	345	195
Aug	196.2	139.5	125.8	139.6	156	182	122	194.4	..	471	217
Sep	195.4*	138.4*	125.4*	137.9*	160*	178*	120*	203.0	..	276	107
Oct	200.2	141.2	126.9	142.0	159	184	123	171.6	..	186	160†
Nov	199.8	140.4	125.5	141.8	159	182	125	182.8	..	392	335
Dec	200.4*	140.8*	126.7*	140.5*	157*	182*	127*	183.1	..	295	79
1989 Jan	197.3†	137.4†	123.2†	137.4†	155†	178†	123†	194.5	..	224†	205
Feb	..	140.8	..	..	..	..	..	193.3	..	264	214

1 The series has been revised to take account of updated seasonal adjustment factors.

2 Changes in amounts outstanding to finance houses, other specialist credit grantors, selected kinds of retailers and on bank credit cards. Unsecured loans by building societies permitted under the terms of the *Building Societies Act 1986* are included from the beginning of 1987. Loans by retailers, building societies and on bank credit cards are all treated as consumer agreements. There is a break at the end of 1985. Before this, loans on bank credit cards and agreements block discounted with finance houses and other specialist credit grantors were excluded. Loans to consumers by finance houses and other specialist credit grantors covered agreements regulated under the *Consumer Credit Act 1974* and loans to business covered other agreements. There is a break after October 1988 in the series for consumers. This is the result of a change in recording practice relating to bank credit cards.

Sources: Department of Trade and Industry; Department of Transport


Volume of total retail sales
Weekly average 1980=100
seasonally adjusted
145
140
135
130
125
120
115
110
105
Monthly figures
Monthly rate
1983
1984
1985
1986
1987
1988
New registration of cars
Thousands
seasonally adjusted
210
200
190
180
170
160
150
140
130
Monthly rate
Monthly figures
Consumer and other credit, change in debt
£ million seasonally adjusted
700
600
500
400
300
200
100
0
—100
Total consumer credit
Monthly rate
Agreements
with
consumers
Monthly
figures
Agreements
with
businesses

7 Gross domestic product and shares of income and expenditure

	Gross domestic product at current factor cost		Total final expenditure (current market prices) (£ mn)	Percentage share of total final expenditure						Percentage share of gross domestic product (income-based)				
						Gross fixed investment					Gross trading profits[1]			
	Expenditure-based (£ mn)	Income-based (£ mn)		Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Income from employment	Companies	Other[2]	Income from self-employment[1]	Other income[3]
	DJBA	DJBE	DIAB	FBBD	FBBE	FBBF	FBBG	FBBH	FBBI	FBBJ	FBBK	FBBL	FBBM	FBBN
1984	277 981†	278 175†	416 010†	47.5	16.8	1.5	1.8	9.9	22.2	64.8†	14.6†	2.9	9.6	8.1
1985	304 437	305 429	453 124	47.6†	16.3	1.5	1.3	10.6	22.7	63.7	16.6	2.4	9.3†	8.0
1986	322 550	321 978	480 680	49.4	16.5†	1.5	1.1	10.8†	20.5	65.1	14.6	2.5	9.6	8.2†
1987	352 791	352 295	526 959	49.3	16.2	1.3	0.8†	11.7	20.3†	64.3	16.4	1.8	9.5	8.0
1988	384 778	390 992	578 859	50.2	15.8	1.0†	0.8	13.1	18.6	64.4	16.8	1.8†	9.3	7.7
													FBBO	
1985 Q1	74 103†	73 782†	112 265†	46.7†	16.3	1.3	1.4	11.2	23.2†	64.1†	16.8†	1.7	17.5†	
Q2	75 792	75 761	112 958	48.9	16.2	1.5	1.3	10.2	23.7	63.5	16.8	2.4	17.3	
Q3	77 023	77 262	113 518	48.1	16.3	1.5	1.2	10.5	22.1	63.7	16.1	2.9	17.2	
Q4	77 519	78 624	114 383	48.6	16.5	1.5	1.1	10.5	21.8	63.6	16.7	2.4	17.3	
1986 Q1	79 151	79 553	117 233	48.9	16.6†	1.5	1.2	10.5†	20.9	64.2	15.7	2.6	17.5	
Q2	80 225	79 925	118 779	49.6	16.6	1.5	1.2	10.5	20.4	65.1	14.5	2.7	17.7	
Q3	80 240	80 075	120 172	50.0	16.7	1.4	1.1	11.1	20.0	65.9	13.7	2.3	18.1	
Q4	82 934	82 425	124 496	49.2	16.3	1.4	1.1	10.9	20.5	65.2	14.5	2.4	17.9	
1987 Q1	85 216	84 591	126 304	49.5	16.3	1.4	1.0	11.0	20.8	64.3	16.1	1.8	17.8	
Q2	86 545	86 973	129 172	49.2	16.3	1.3	0.7	11.8	20.5	64.1	16.6	1.7	17.5	
Q3	90 124	89 629	135 245	48.7	16.1	1.2	0.9	11.8	20.4	63.8	17.0	1.8	17.4	
Q4	90 906	91 102	136 238	49.9	16.2	1.3	0.8†	12.2	19.6	64.8	16.0	1.9†	17.3	
1988 Q1	92 806	95 487	138 090	50.7	15.9	1.3	0.9	12.5	18.7	63.6	17.8	1.6	16.9	
Q2	95 744	95 918	143 580	49.5	15.8	1.1	0.8	13.5	18.9	64.6	16.4	1.9	17.1	
Q3	96 393	99 206	146 433	50.3	15.9	0.8†	0.8	13.5	18.9	64.0	17.2	1.9	16.9	
Q4	99 835	100 381	150 756	50.4	15.7	0.9	0.7	13.0	18.0	65.3	15.8	1.8	17.1	

1 After providing for stock appreciation.
2 Gross trading surplus of public corporations and general government enterprises.
3 Rent income, and imputed charge for consumption of non-trading capital.

Source: Central Statistical Office

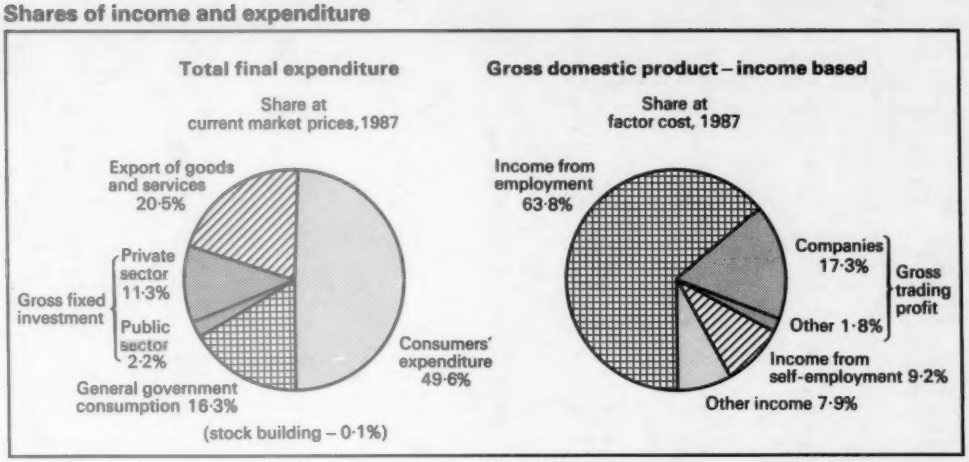
8 Income, product and spending per head

£

	At current prices				At 1985 prices		
	Average estimate						
	Gross national product at factor cost	Gross domestic product at factor cost	Consumers' expenditure	Personal disposable income	Gross domestic product at factor cost (average estimate)	Consumers' expenditure	Personal disposable income
	CAQA	CAQB	FBCC	FBCD	CAQC	FBCF	FBCH
1984	5 020†	4 942	3 497	3 912†	5 206†	3 683	4 120
1985	5 435	5 386†	3 806†	4 218	5 386	3 806†	4 217†
1986	5 770	5 676	4 187	4 527	5 531	4 012	4 339
1987	6 294	6 200	4 567	4 837	5 761	4 218	4 468
1988	6 935	6 829	5 100	5 316	5 969	4 484	4 674
							CAIU
1985 Q1	1 326†	1 310†	926†	1 024	1 329†	941†	1 041
Q2	1 352	1 340	935	1 047†	1 350	940	1 053†
Q3	1 373	1 359	963	1 082	1 354	959	1 057
Q4	1 384	1 377	982	1 085	1 353	966	1 067
1986 Q1	1 415	1 396	1 012	1 101	1 367	984	1 070
Q2	1 430	1 408	1 038	1 128	1 382	1 002	1 089
Q3	1 442	1 416	1 059	1 139	1 379	1 009	1 086
Q4	1 483	1 456	1 078	1 159	1 403	1 017	1 093
1987 Q1	1 520	1 494	1 099	1 183	1 411	1 026	1 104
Q2	1 547	1 524	1 117	1 195	1 432	1 041	1 115
Q3	1 601	1 576	1 157	1 207	1 459	1 065	1 111
Q4	1 626	1 606	1 194	1 252	1 459	1 086	1 138
1988 Q1	1 673	1 652	1 229	1 288	1 488	1 105	1 158
Q2	1 715	1 685	1 247	1 306	1 490	1 104	1 156
Q3	1 755	1 728	1 292	1 333	1 491	1 128	1 164
Q4	1 792	1 764	1 332	1 389	1 500	1 147	1 197

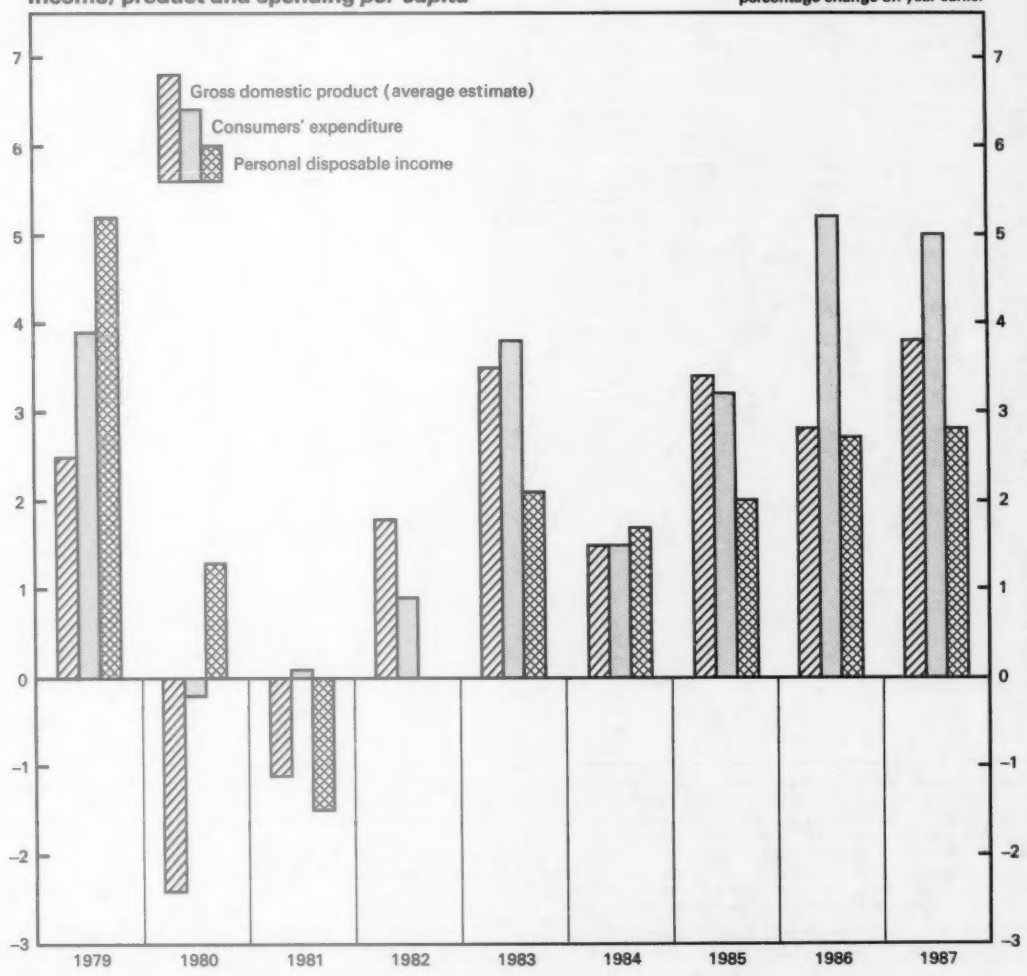
Source: Central Statistical Office

Shares of income and expenditure



Income, product and spending *per capita*

1985 prices
percentage change on year earlier



9 Gross domestic fixed capital formation

£ million, 1985 prices

	Analysed by sector[1,2]			Analysed by type of asset[1]						Total gross domestic fixed capital formation[1]
				Dwellings			Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery	
	Private sector	General government	Public corporations	Private	Public	Total				
	DFEB	DFED	DFDA	DFEA	DFEC	DFEG	DFCV	DEBP	DEBO	DECU
1980	38 577	6 290	8 491	9 134	3 198	12 379	15 334	6 296	19 660	53 416
1981	35 990	4 632	7 775	8 149	2 155	10 247	14 859	4 895	18 269	48 298
1982	38 892	4 313	7 906	8 680	2 282	10 899	16 378	5 028	18 478	50 915
1983	39 085	5 901	8 490	9 323	2 924	12 247	16 651	5 177	19 401	53 476
1984	43 845	6 605	7 625	9 746	2 825	12 571	18 135	6 107	21 262	58 075
1985	48 043	6 584	5 656	9 392	2 536	11 928	18 178	6 433	23 744	60 283
1986	48 947†	6 952†	5 394†	10 187†	2 622	12 809†	18 367	5 715†	24 102†	61 293†
1987	55 190	6 792	4 391	10 819	2 667†	13 486	19 246	6 157	25 784	66 373
1988	64 023	5 975	4 221	12 030	2 697	14 727	20 554	6 373	27 865	74 219
1983 Q4	10 200	1 578	2 151	2 429	748	3 177	4 349	1 405	4 998	13 929
1984 Q1	10 679	1 631	2 096	2 653	725	3 378	4 478	1 539	5 011	14 406
Q2	10 912	1 603	1 889	2 467	700	3 167	4 606	1 362	5 269	14 404
Q3	10 976	1 704	1 890	2 373	722	3 095	4 479	1 553	5 443	14 570
Q4	11 278	1 667	1 750	2 253	678	2 931	4 572	1 653	5 539	14 695
1985 Q1	12 815	1 485	1 532	2 300	647	2 947	4 514	2 144	6 227	15 832
Q2	11 628	1 661	1 469	2 370	622	2 992	4 670	1 466	5 628	14 756
Q3	11 836	1 709	1 372	2 357	652	3 009	4 499	1 489	5 940	14 917
Q4	11 766	1 729	1 283	2 365	615	2 980	4 495	1 354	5 949	14 778
1986 Q1	11 870†	1 784†	1 390†	2 233†	703	2 936†	4 527†	1 451†	6 055†	15 044†
Q2	11 839	1 760	1 358	2 499	620	3 119	4 475	1 410	5 878	14 957
Q3	12 556	1 698	1 339	2 669	621	3 290	4 692	1 422	6 114	15 593
Q4	12 682	1 710	1 307	2 786	678	3 464	4 673	1 432	6 055	15 699
1987 Q1	12 851	1 752	1 240	2 704	682†	3 386	4 724	1 395	6 088	15 843
Q2	13 731	1 637	917	2 622	663	3 285	4 589	1 567	6 494	16 285
Q3	14 042	1 632	1 160	2 893	631	3 524	4 762	1 595	6 453	16 834
Q4	14 566	1 771	1 074	2 600	691	3 291	5 171	1 600	6 749	17 411
1988 Q1	14 906	1 691	1 128	2 730	628	3 358	5 244	1 507	6 816	17 725
Q2	16 265	1 588	1 070	3 291	671	3 962	5 225	1 681	7 055	18 923
Q3	16 336	1 303	1 035	3 088	689	3 777	4 984	1 709	7 004	18 674
Q4	16 516	1 393	988	2 921	709	3 630	5 101	1 476	6 990	18 897
Percentage change, quarter on corresponding quarter of previous year										
1983 Q4	*3.3*	*27.8*	*3.6*	*9.4*	*12.7*	*10.4*	*2.3*	*11.1*	*6.7*	*6.2*
1984 Q1	*10.8*	*5.4*	*-0.7*	*14.7*	*-8.3*	*8.8*	*7.4*	*23.4*	*4.9*	*8.3*
Q2	*12.7*	*23.8*	*-9.7*	*8.2*	*5.7*	*7.7*	*13.9*	*6.0*	*9.7*	*10.2*
Q3	*14.8*	*15.1*	*-11.6*	*3.1*	*-0.1*	*2.3*	*9.5*	*25.2*	*12.8*	*10.6*
Q4	*10.6*	*5.6*	*-18.6*	*-7.2*	*-9.4*	*-7.7*	*5.1*	*17.7*	*10.8*	*5.5*
1985 Q1	*20.0*	*-9.0*	*-26.9*	*-13.3*	*-10.8*	*-12.8*	*0.8*	*39.3*	*24.3*	*9.9*
Q2	*6.5*	*3.6*	*-22.2*	*-3.9*	*-11.1*	*-5.5*	*1.4*	*7.6*	*6.8*	*2.4*
Q3	*7.8*	*0.3*	*-27.4*	*-0.7*	*-9.7*	*-2.8*	*0.4*	*-5.4*	*9.1*	*2.4*
Q4	*4.3*	*3.7*	*-26.7*	*5.0*	*-9.3*	*1.7*	*-1.7*	*-18.1*	*7.4*	*0.6*
1986 Q1	*-7.4*	*20.1*	*-9.3*	*-2.9*	*8.7*	*-0.4*	*0.3*	*-32.3*	*-2.8*	*-5.0*
Q2	*1.8*	*6.0*	*-7.6*	*5.4*	*-0.3*	*4.2*	*-4.2*	*-3.8*	*4.4*	*1.4*
Q3	*6.1*	*-0.6*	*-2.4*	*13.2*	*-4.8*	*9.3*	*4.3*	*-3.2*	*2.9*	*4.5*
Q4	*7.8*	*-1.1*	*1.9*	*17.8*	*10.2*	*16.2*	*4.0*	*5.8*	*1.8*	*6.2*
1987 Q1	*8.3*	*-1.8*	*-10.8*	*21.1*	*-3.0*	*15.3*	*4.4*	*-3.9*	*0.5*	*5.3*
Q2	*16.0*	*-7.0*	*-32.5*	*4.9*	*6.9*	*5.3*	*2.5*	*11.1*	*10.5*	*8.9*
Q3	*11.8*	*-3.9*	*-13.4*	*8.4*	*1.6*	*7.1*	*1.5*	*12.2*	*5.5*	*8.0*
Q4	*14.9*	*3.6*	*-17.8*	*-6.7*	*1.9*	*-5.0*	*10.7*	*11.7*	*11.5*	*10.9*
1988 Q1	*16.0*	*-3.5*	*-9.0*	*1.0*	*-7.9*	*-0.8*	*11.0*	*8.0*	*12.0*	*11.9*
Q2	*18.5*	*-3.0*	*16.7*	*25.5*	*1.2*	*20.6*	*13.9*	*7.3*	*8.6*	*16.2*
Q3	*16.3*	*-20.2*	*-10.8*	*6.7*	*9.2*	*7.2*	*4.7*	*7.1*	*8.5*	*10.9*
Q4	*13.4*	*-21.3*	*-8.0*	*12.3*	*2.6*	*10.3*	*-1.4*	*-7.7*	*3.6*	*8.5*

1 The latest figures issued by CSO include special adjustments to fixed investment estimates for 1986 to 1988 to bring them closer to the final figures expected when full information is available. They are based on preliminary results from DTI enquiries for 1987; a modified adjustment in the deflation process allowing for divergences between import and domestic prices; and a special study of the apparent shortfall of fixed investment estimates compared with the production and trade data for capital goods. The adjustments amount, at constant 1985 prices, to £300 million in 1986, £1,700 million in 1987 and £4,700 million in 1988. The adjustments are included in the total fixed capital formation series and have been broadly apportioned between sectors and included in the sector totals. No breakdown of the adjustment by industry or by type of asset is available.

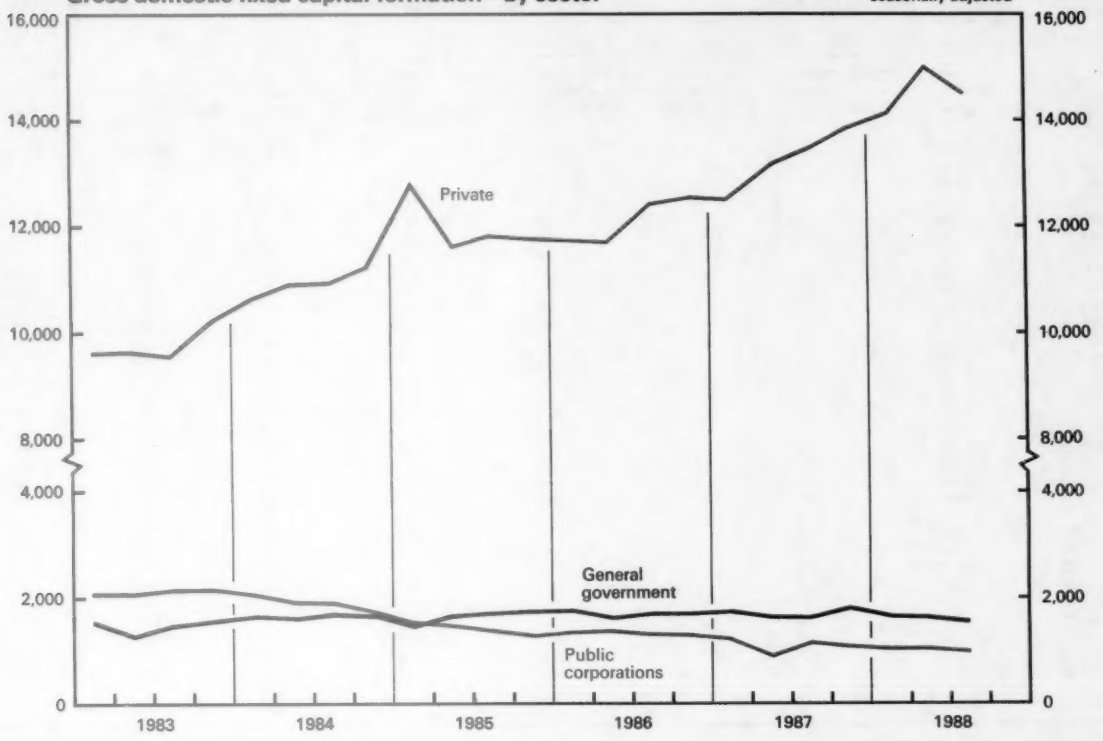
2 Including purchases *less* sales of land and existing buildings.

3 Including transfer costs of land and buildings.

Source: Central Statistical Office

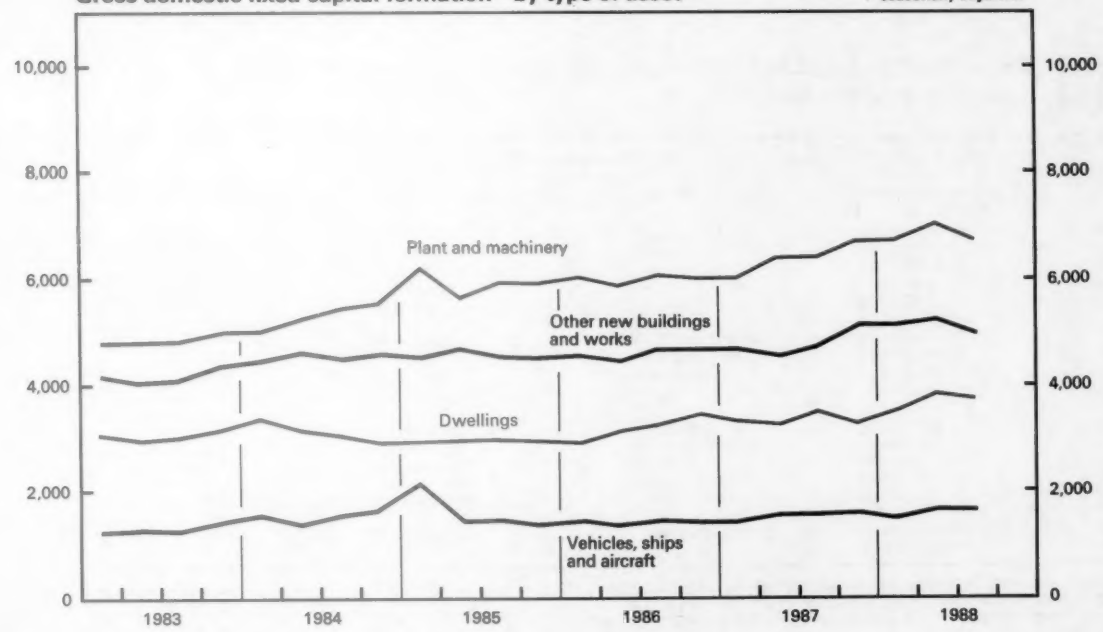
Gross domestic fixed capital formation—by sector

£ million 1985 prices seasonally adjusted



Gross domestic fixed capital formation—by type of asset

£ million 1985 prices seasonally adjusted



10 Indicators of fixed investment by manufacturing industry

	Gross fixed investment by manufacturing industry (excluding leased assets)							
	Plant and machinery			New building and works				
	Gross fixed investment		CBI Intentions Inquiry: balance[2] (NSA)	Gross fixed investment		CBI Intentions Inquiry: balance[2] (NSA)	Total+ (£ million, 1985 prices)[1]	New orders received by contractors for private industrial work(GB) (£ million, 1985 prices)
	Total (£ million, 1985 prices)[1]	Change on year earlier (percentage)[1]		Total (£ million, 1985 prices)[1]	Change on year earlier (percentage)[1]			
	DFQP		FBAD	DFQQ		FBAG	DECV	DPBT
1980	6 885	*-10.7*	..	1 143	*-19.3*	..	8 761	1 923
1981	5 165	*-25.0*	..	834	*-27.0*	..	6 579	1 718
1982	5 062	*-2.0*	..	714	*-14.4*	..	6 360	1 455
1983	5 196	*2.6*	..	634	*-11.2*	..	6 422	1 723
1984	6 232	*19.9*	..	929	*46.5*	..	7 810	2 426
1985	7 029	*12.8*	..	1 110	*19.5*	..	8 735	2 149
1986	6 911	*-1.7*	..	1 006	*-9.4*	..	8 478	2 088
1987	7 293†	*5.5*	..	1 216	*20.9*	..	9 095	3 463[3]
1988	8 145	*11.7*	..	1 204	*-1.0*	..	9 970	2 706
1985 Q1	1 737	*18.5*	*11*	301	*46.8*	*-8*	2 192	524
Q2	1 736	*15.0*	*14*	299	*31.1*	*-3*	2 177	654
Q3	1 756	*11.4*	-	256	*12.3*	*-21*	2 161	484
Q4	1 800	*7.1*	*4*	254	*-5.2*	*-21*	2 205	486
1986 Q1	1 807	*4.0*	*2*	227	*-24.6*	*-16*	2 178	492
Q2	1 653	*-4.8*	*10*	204	*-31.8*	*-15*	2 001	506
Q3	1 762	*0.3*	*5*	270	*5.5*	*-15*	2 181	593
Q4	1 689	*-6.2*	*8*	305	*20.1*	*-13*	2 118	497
1987 Q1	1 657†	*-8.3*	*10*	272	*19.8*	*-10*	2 076	637
Q2	1 823	*10.3*	*13*	335	*64.2*	*-3*	2 302	578
Q3	1 879	*6.6*	*20*	313	*15.9*	*1*	2 336	1 722[3]
Q4	1 934	*14.5*	*17*	296	*-3.0*	*-3*	2 381	526
1988 Q1	1 938	*17.0*	*20*	293	*7.7*	*1*	2 385	704
Q2	2 101	*15.2*	*32*	303	*-9.6*	*6*	2 558	631
Q3	2 062	*9.7*	*19*	307	*-1.9*	*-6*	2 521	624
Q4	2 044	*5.7*	*21*	301	*1.7*	*-4*	2 506	747
1989 Q1	..	..	*21*	..	..	*-9*	..	..

1 See footnote 1 for Table 9 on page 18.
2 Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
3 Includes the Channel Tunnel project.

Sources: Department of Trade and Industry; Central Statistical Office; Confederation of British Industry; Department of the Environment

11 Department of Trade and Industry inquiry into investment intentions: manufacturing industry[1]

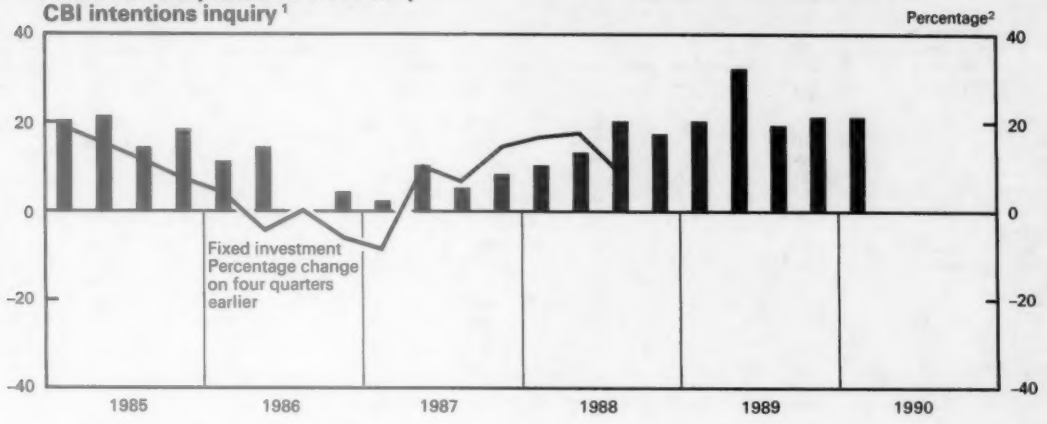
Percentage change over previous year, in volume terms

	Gross fixed investment (excluding leased assets)				
	First December forecast	First June forecast	Second December forecast	Second June forecast	Actual
1976	Further reduction	Little change	-5 to -8	About -6	-5
1977	Large increase	Of order of +15	+10 to +15	+6 to + 10	+5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+7
1979	Rise, less than +8	Rise, less than +8	+4 to +8	+2 to +5	+4
1980	Slight fall	Slight fall	-6 to -10	-8 to -12	-14
1981	Further fall	Fall of up to 8 to 12	-15 to -20	-15 to -18	-25
1982	Some recovery	Some recovery	-1 to -3	-3 to -5	-3
1983	Appreciable increase	Rise, around 5	Fall, up to 5	Fall, around 4	+2
1984	No recovery	Slow growth	Rise, around 10	About +12	+20
1985	Little change	Rise, around 6	About +7	Around +9	+12
1986	Slight fall	Slight fall	Rise, around 4	About +6	-2
1987	Little change	Small increase	Rise, around 3	About +6	+7
1988	Further rise	Further increase	Rise, around 12	Rise, around 15	+10
1989	Smaller increase	Smaller increase	Rise, around 11		
1990	Smaller increase				

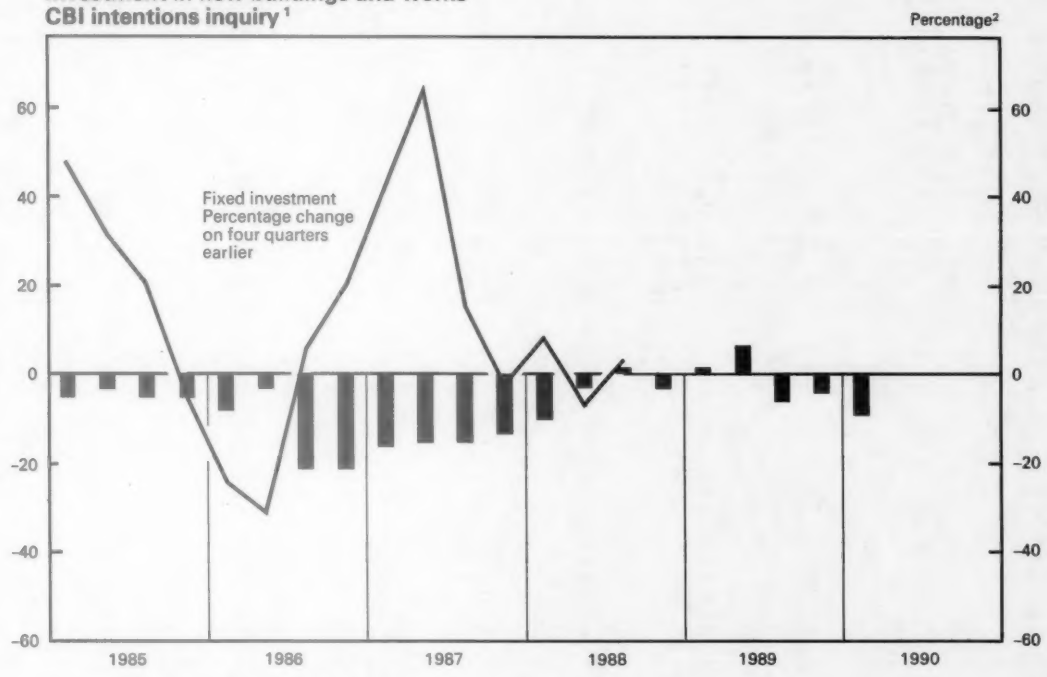
1 The figures in this table relate to manufacturing industry defined as Orders III to XIX, Standard Industrial Classification (1968) for 1983 and earlier years, and as Divisions 2 to 4, Standard Industrial Classification (1980) for 1984 onwards.

Source: Department of Trade and Industry

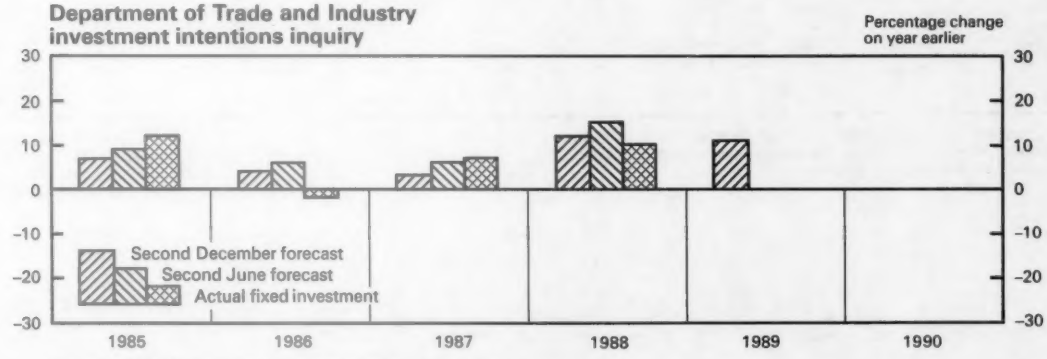
Investment in plant and machinery
CBI intentions inquiry [1]



Investment in new buildings and works
CBI intentions inquiry [1]



Department of Trade and Industry
investment intentions inquiry



[1] The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage change in fixed investment

[2] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

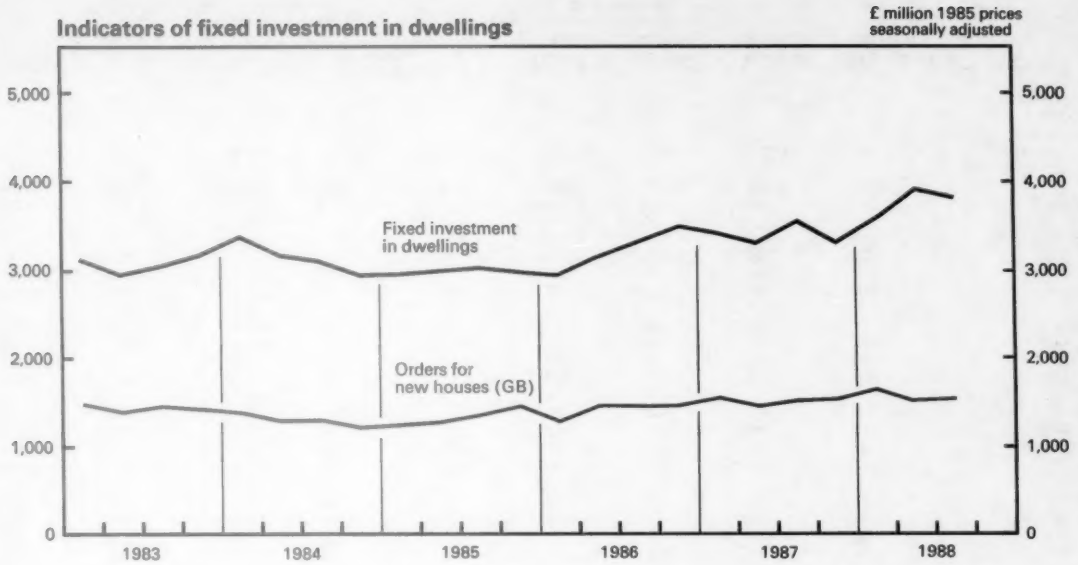
12 Indicators of fixed investment in dwellings

	Fixed investment in dwellings (£ million, 1985 prices)	Orders received by contractors for new houses (GB) (£ million, 1985 prices)	Housing starts (GB)+		Housing completions (GB)+		Building societies		Average price of new dwellings: mortgages approved[1] (NSA)
			Private sector (thousands)	Public sector (thousands)	Private sector (thousands)	Public sector (thousands)	Commitments on new dwellings (£ million, current prices)	Advances on new dwellings (£ million, current prices)	
	DFEG	FCAS	FCAT	FCAU	FCAV	FCAW	AHLO	AHLS	FCAY
1982	10 899	4 762	140.8	52.9	124.8	50.2	1 931	1 716	28 508
1983	12 247	4 686	171.1	48.8	146.1	50.9	2 419	2 330	31 678
1984	12 571	4 293	156.9	39.9	157.2	50.7	2 980	2 900	34 160
1985	11 928	5 290	162.8	34.2	152.1	40.0	2 963	2 900	37 304
1986	12 809†	5 642	176.1	33.0	163.0†	34.8	3 626	3 517	43 647
1987	13 486	6 010	191.3	31.7	170.7	32.1	3 702	3 488	51 290
1988	14 727	6 154†	213.3†	29.2†	183.2	30.5†	4 831	4 696	64 615†
1983 Q3	3 025	1 438	40.7	9.8	36.0	13.0	586	584	32 245
Q4	3 177	1 412	42.8	12.0	38.3	13.1	679	622	32 096
1984 Q1	3 378	1 389	40.7	12.4	40.0	12.5	732	684	33 086
Q2	3 167	1 298	39.7	10.2	37.6	13.1	814	725	34 345
Q3	3 095	1 299	38.6	9.3	40.5	12.8	707	763	34 906
Q4	2 931	1 219	37.9	8.0	39.1	12.3	727	728	34 338
1985 Q1	2 947	1 233	37.3	8.5	37.9	11.3	713	709	35 658
Q2	2 992	1 270	40.8	8.5	39.0	10.5	680	715	36 556
Q3	3 009	1 347	41.3	8.4	36.9	9.4	740	700	37 625
Q4	2 980	1 439	43.4	8.8	38.3	8.8	830	776	39 458
1986 Q1	2 936†	1 290	41.2	8.1	38.5	9.0	815	802	40 470
Q2	3 119	1 460	43.7	7.9	40.1	9.1	1 007	868	43 443
Q3	3 290	1 441	46.7	8.8	41.3	8.1	975	929	45 065
Q4	3 464	1 450	44.5	8.2	43.1	8.6	829	918	45 749
1987 Q1	3 386	1 537	47.6	8.1	42.5	7.6	813	832	47 460
Q2	3 285	1 448	45.5	8.3	42.8	8.4	882	837	49 604
Q3	3 524	1 501	48.1	7.6	43.1	8.2	974	886	52 428
Q4	3 291	1 525	50.1	7.7	42.3	7.9	1 033	933	55 474
1988 Q1	3 358	1 602†	55.3†	7.3†	47.9†	8.1†	1 257	1 113	60 395
Q2	3 962	1 472	52.6	7.1	44.3	7.6	1 338	1 180	63 342
Q3	3 777	1 483	49.9	7.3	46.5	7.7	1 236	1 279	67 425
Q4	3 630	1 597	55.5	7.5	44.5	7.1	1 000	1 124	69 342†
1987 Mar	..	452	15.8	2.7	14.4	2.3	279	279	48 127
Apr	..	478	14.8	2.7	14.3	2.8	292	282	49 046
May	..	494	16.4	2.8	14.4	2.8	288	276	49 973
Jun	..	475	14.3	2.8	14.1	2.8	302	279	49 797
Jul	..	546	15.3	2.4	14.4	2.9	330	288	51 786
Aug	..	474	16.2	2.5	14.6	2.5	324	296	52 898
Sep	..	481	16.6	2.7	14.1	2.8	320	302	52 635
Oct	..	482	14.7	2.5	14.2	2.7	339	313	54 594
Nov	..	490	16.9	2.7	14.1	2.7	348	307	55 225
Dec	..	553	18.5	2.5	14.0	2.5	346	313	56 806
1988 Jan	..	618†	21.7†	2.6†	17.7†	2.4†	381	348	58 918
Feb	..	579	17.1	2.9	15.5	2.8	425	375	59 064
Mar	..	404	16.5	1.8	14.7	2.9	451	390	63 688
Apr	..	538	18.4	2.4	15.1	2.7	433	382	62 304
May	..	446	17.3	2.3	15.0	2.6	436	396	63 060
Jun	..	487	16.9	2.4	14.2	2.3	469	402	64 578
Jul	..	455	16.7	2.4	17.2	2.6	512	438	66 577
Aug	..	540	17.1	2.9	15.1	2.7	374	441	66 326
Sep	..	488	16.1	2.0	14.2	2.4	350	400	69 915
Oct	..	492	17.2	2.3	14.4	2.3	349	387	67 488
Nov	..	558	19.0	2.3	14.3	2.2	338	368	69 956
Dec	..	546	19.3	2.9	15.8	2.6	313	369	71 153
1989 Jan	..	..	21.5	3.3	19.5	3.1	312†	404†	68 808

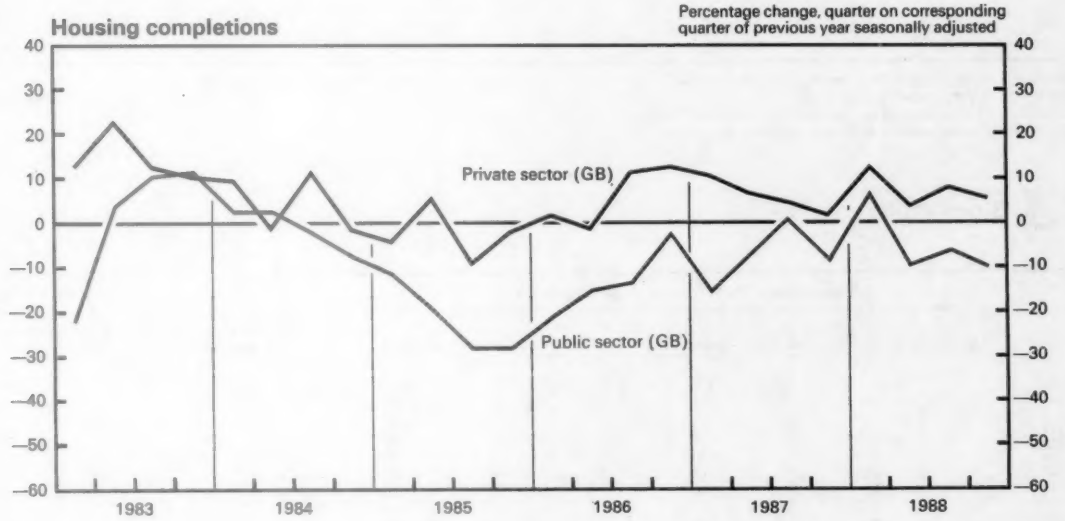
1 Mortgages with building societies by private owners. The series covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

Sources: Central Statistical Office; Department of the Environment; Scottish Development Department; Building Societies Association

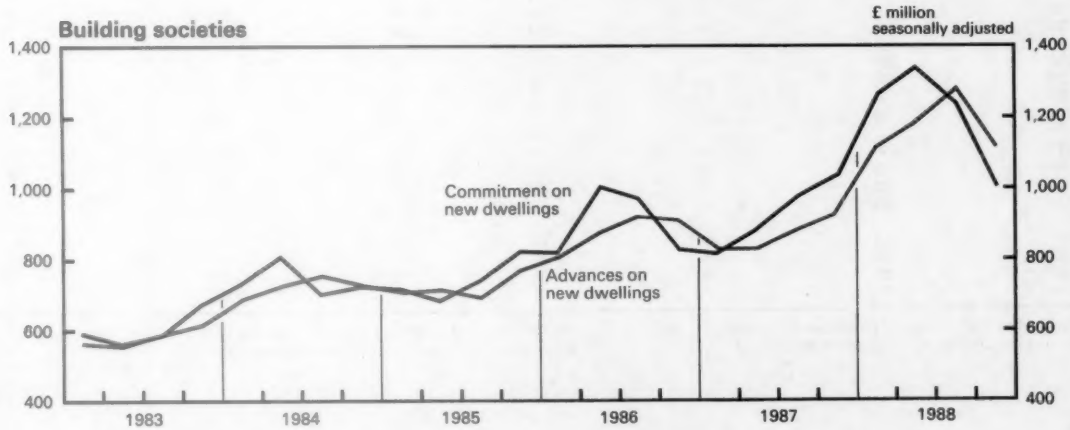
Indicators of fixed investment in dwellings



Housing completions



Building societies



13 Stock changes

£ million, 1985 prices

	Energy and water supply	Manufacturing: Materials and fuels	Manufacturing: Work in progress	Manufacturing: Finished goods	Manufacturing: Total	Distribution: Wholesale[1]	Distribution: Retail[2]	Other industries	All industries
Value of stocks and work in progress end-December 1987[3]	5 992	12 871	15 900	12 602	41 373	14 152	11 262	19 798	92 577
	DHBQ	DGAX	DGAY	DGAW	DHBM	DHBO	DHBN	DHBR	DGBA
1983 Q4	-110	133	63	115	311	-85	49	119	284
1984 Q1	-260	-16	177	217	378	-48	201	70	341
Q2	-330	64	170	-228	6	-18	34	124	-184
Q3	-235	179	-	136	315	75	-142	76	89
Q4	-160	96	34	229	359	27	398	202	826
1985 Q1	-76	43	-298	73	-181	-66	-61	190	-194
Q2	-122	21	14	210	244	152	126	203	603
Q3	-25	193	-7	-59	127	-137	129	224	318
Q4	209	-118	-376	-139	-633	-34	51	249	-158
1986 Q1	4	-22	-146	-82	-250	318	175	136†	383†
Q2	-243	110	60	50	220	-90	183	148	218
Q3	-95	-57	-55	-52	-164	-289	115	-9	-442
Q4	121	-137	18	-90	-209	326	258	34	530
1987 Q1	-95	-19	-92	-92	-203	96	75	3	-124
Q2	-55	-18	-40	-120	-177	69	243	77	157
Q3	25	112	296	1	410	215	357	126	1 133
Q4	4	-31	-369	25	-375	101	54	-34	-250
1988 Q1	-94†	15	30†	10†	54†	-117†	66	131	40
Q2	-101	72†	125	201	398	119	149	42	607
Q3	-56	-118	-47	-64	-230	85	43	-107	-265
Q4	112	22	256	184	464	149	437†	401	1 563

1 Classes 61-63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
2 Classes 64-65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
3 Stock levels at 1985 prices, not seasonally adjusted.

Source: Central Statistical Office

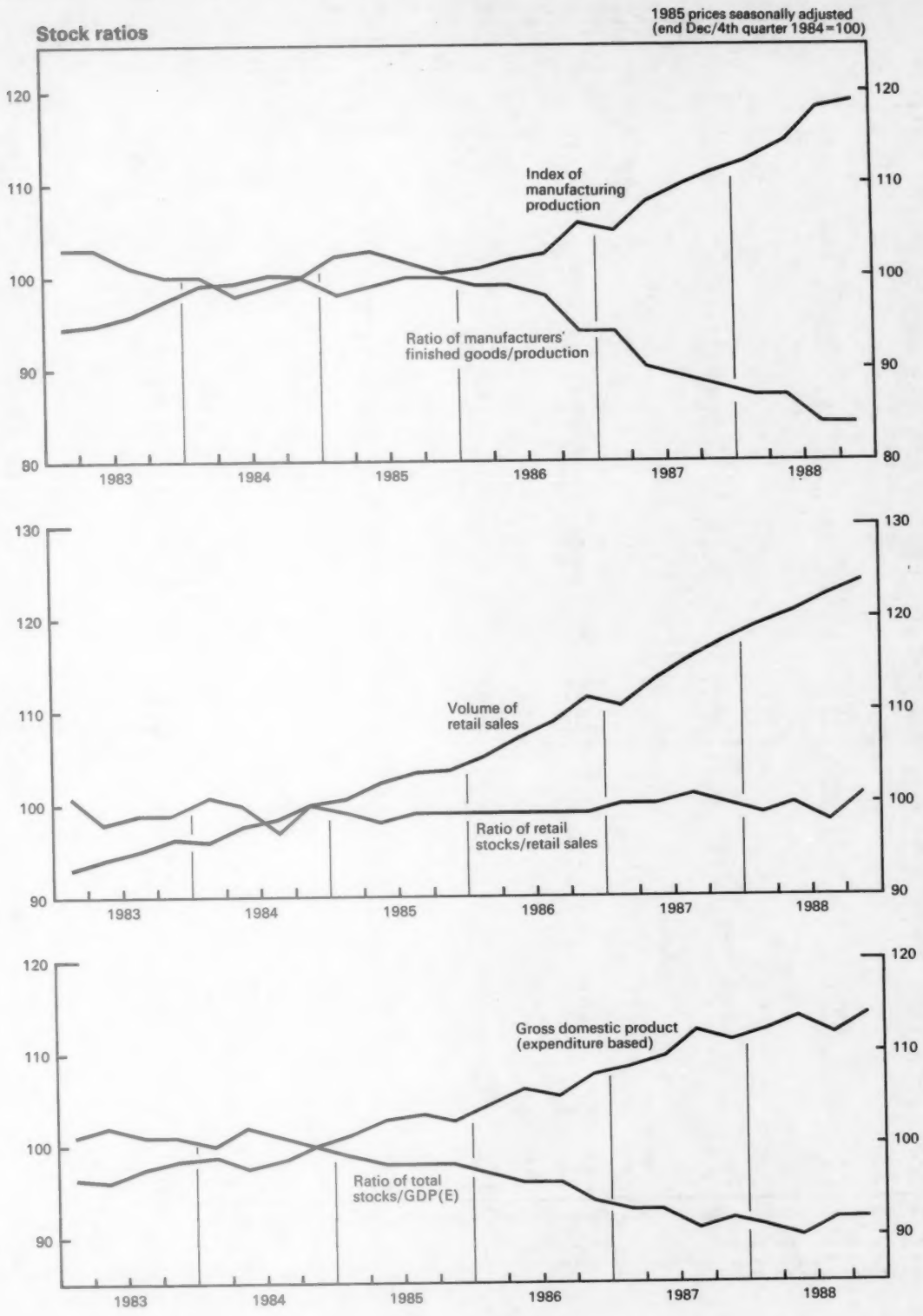
14 Stock ratios

	Manufacturers' stocks[1] to manufacturing production: Materials and fuel	Work in progress	Finished goods	Total stocks	Retail stocks[1] to retail sales[2,3]	Total stocks[1] to gross domestic product (expenditure-based)[2]
	FDCC	FDCD	FDCE	FDCB	FDCF	FDCA
1983 Q4	100	100	100	100	99	101
1984 Q1	99†	100	100†	100	101†	100
Q2	99	101†	98	99†	100	102
Q3	100	100	99	100	97	101†
Q4	100	100	100	100	100	100
1985 Q1	98	96	98	97	99	99
Q2	98	96	99	97	98	98
Q3	100	97	100	99	99	98
Q4	101	96	100	99	99	98
1986 Q1	100	94	99	98	99	97
Q2	100	94	99	97	99	96
Q3	99	93	98	96	99	96
Q4	95	90	94	93	99	94
1987 Q1	96	90	94	93	100	93
Q2	93	88	90	90	100	93
Q3	92	88	89	89	101	91
Q4	90	85	88	87	100	92
1988 Q1	89	84	87	86	99	91
Q2	89	83	87	86	100	90
Q3	85	80	84	83	98	92
Q4	84	81	84	83	101	92

1 Measured at 1985 prices; end-December 1984=100.
2 Measured at 1985 prices; 4th quarter 1984=100.
3 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

Source: Central Statistical Office

Stock ratios



15 Inland energy consumption

Annual rates, temperature corrected

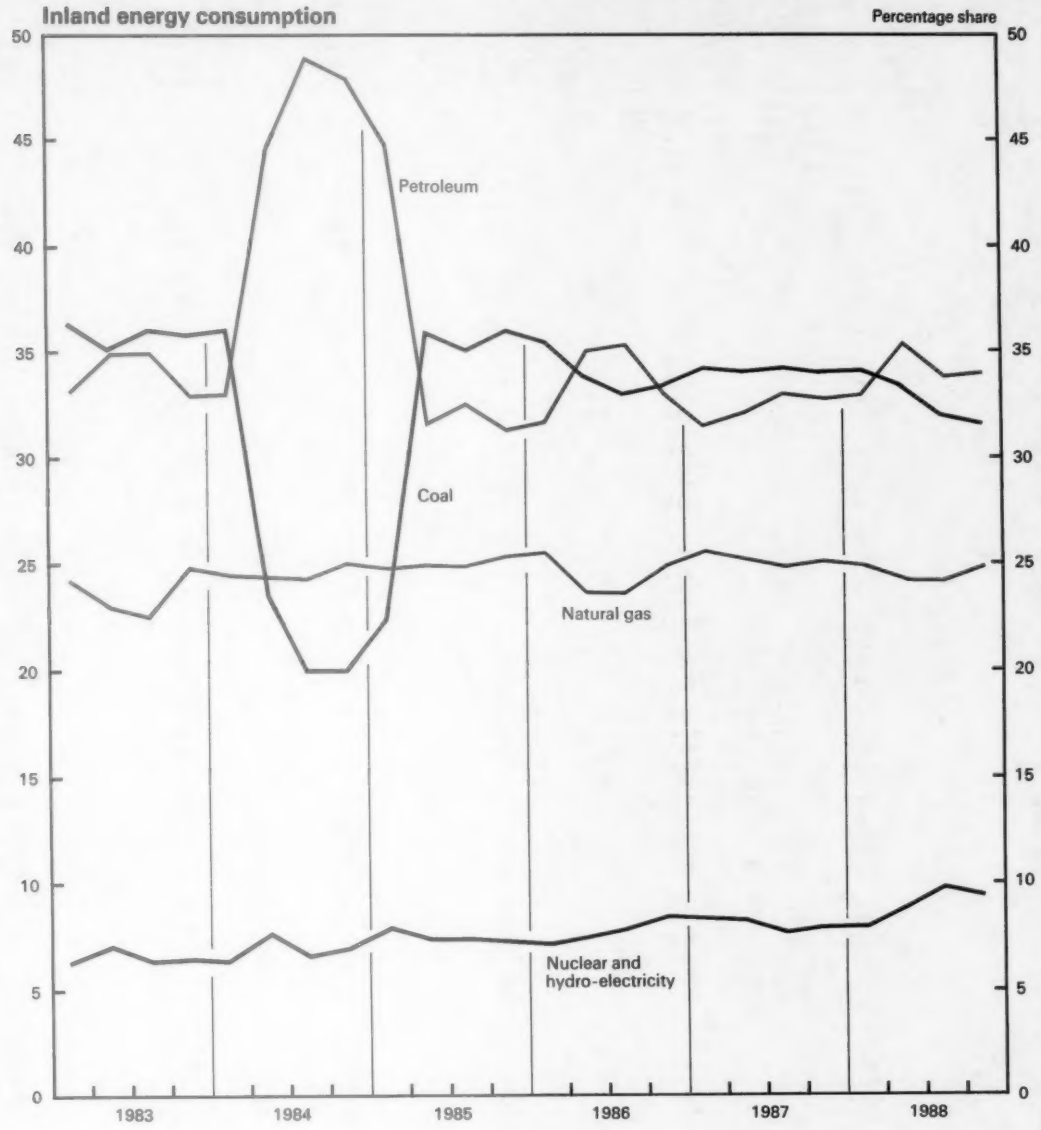
	Primary fuel input (million tonnes of coal or coal equivalent)							
				Primary electricity (not temperature corrected)				
	Coal[1]	Petroleum	Natural gas (excl. flared or re-injected)	Nuclear	Hydro[2] (NSA)	Net imports (NSA)	Total	Public supply: electricity available (GB)[3] (billion kilowatt hours)
	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAW	FDAH	FDAN
1979	127.2	137.0	69.1	13.8	2.2	-	349.3	255.0
1980	120.1	121.2	70.5	13.4	2.0	-	327.2	245.9
1981	117.5	110.2	71.6	13.7	2.3	-	315.3	239.2
1982	109.6	110.8	72.9	16.0	2.4	-	311.7	236.2
1983	111.6	105.9	75.6	18.1	2.4	-	313.6	242.3
1984	78.5	134.7	77.3	19.5	2.1	-	312.1	246.0
1985	103.6	113.2	81.2	22.1	2.1	-	322.3	255.8
1986	110.6	110.6	81.6	21.3	2.4	1.7	328.3	261.3
1987	114.3	108.0	84.4	19.8	2.1	4.7	333.3	269.9
1988	111.5	116.0	83.7	22.9	2.5	5.2	341.7	..
1983 Q3	117.2	112.6	72.6	18.9	1.7	-	323.0	248.4
Q4	111.4	101.7	76.8	17.8	2.2	-	309.9	242.8
1984 Q1	111.4	103.1	76.6	17.5	2.4	-	310.9	242.3
Q2	70.0	136.5	74.7	21.6	2.0	-	304.7	244.3
Q3	60.9	152.8	76.0	19.5	1.4	-	310.7	250.3
Q4	61.1	149.8	78.6	20.1	2.0	-	311.5	247.2
1985 Q1	70.8	143.0	79.4	23.3	2.1	-	318.5	249.8
Q2	116.8	103.1	81.5	22.3	2.0	-	325.7	258.4
Q3	116.1	106.6	80.9	22.3	2.1	-	329.0	260.2
Q4	116.3	100.0	80.9	21.0	2.2	-	320.3	254.9
1986 Q1	115.4	103.0	83.3	21.0	2.2	0.2	324.9	258.3
Q2	112.3	116.9	79.0	21.2	2.2	1.6	333.3	265.3
Q3	108.7	116.6	78.0	21.8	2.4	1.3	328.1	260.4
Q4	109.3	107.8	81.7	21.6	2.3	3.9	326.6	261.0
1987 Q1	111.3	102.8	83.4	21.4	2.3	3.7	324.8	263.9
Q2	114.7	108.0	84.6	20.0	2.2	5.4	334.9	269.4
Q3	115.5	111.3	84.3	18.9	2.2	4.7	336.8	272.7
Q4	115.1	110.4	84.9	18.9	2.1	5.2	337.1	273.7
1988 Q1	116.1	112.3	84.6	19.4	2.3	5.1	339.8	266.8
Q2	110.2	117.2	80.3	21.4	2.3	5.6	330.0	272.7
Q3	108.6	115.1	82.6	25.3	2.4	5.7	339.7	..
Q4	111.0	119.6	87.2	26.1	2.5	4.5	350.8	..
Percentage change, quarter on corresponding quarter of previous year								
	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAX	FDAO	FDAU
1983 Q3	*5.5*	*-1.0*	*1.0*	*0.6*	*-18.7*	-	*1.3*	*2.0*
Q4	*3.5*	*-3.2*	*2.6*	*2.8*	*-13.4*	-	*0.7*	*2.8*
1984 Q1	*-0.8*	-	*1.7*	*4.3*	*-15.8*	-	*0.2*	*2.5*
Q2	*-35.7*	*25.9*	*5.0*	*10.9*	*-25.8*	-	*-1.8*	*1.1*
Q3	*-48.0*	*35.8*	*4.7*	*2.8*	*-15.6*	-	*-3.8*	*0.8*
Q4	*-45.2*	*47.3*	*2.3*	*12.6*	*-9.6*	-	*0.5*	*1.8*
1985 Q1	*-36.4*	*38.7*	*3.6*	*33.3*	*-12.0*	-	*2.4*	*3.1*
Q2	*66.9*	*-24.4*	*9.1*	*3.6*	*-15.9*	-	*6.8*	*5.8*
Q3	*90.7*	*-30.3*	*6.4*	*14.2*	*-6.8*	-	*5.6*	*4.0*
Q4	*90.5*	*-33.3*	*2.9*	*4.7*	*5.8*	-	*2.8*	*3.1*
1986 Q1	*62.9*	*-28.0*	*4.9*	*-10.0*	*6.8*	+	*2.0*	*3.4*
Q2	*-3.8*	*13.4*	*-3.1*	*-5.2*	*14.4*	+	*2.3*	*2.6*
Q3	*-6.4*	*9.4*	*-3.6*	*-1.9*	*14.6*	+	*-0.3*	*0.1*
Q4	*-8.1*	*7.8*	*1.1*	*2.5*	*6.0*	+	*2.0*	*2.4*
1987 Q1	*-3.5*	*-0.2*	*0.1*	*1.9*	*2.7*	+	-	*2.2*
Q2	*2.1*	*-7.6*	*7.1*	*-5.6*	*-0.2*	+	*0.5*	*1.6*
Q3	*6.2*	*-4.6*	*8.1*	*-13.6*	*-5.9*	+	*2.7*	*4.7*
Q4	*5.3*	*2.4*	*3.9*	*-12.7*	*-7.4*	*32.9*	*3.2*	*4.9*
1988 Q1	*4.2*	*-0.5*	*1.5*	*-9.1*	*0.4*	*40.3*	*4.6*	*1.1*
Q2	*-3.9*	*8.5*	*-5.1*	*6.9*	*4.1*	*3.7*	*0.6*	*1.2*
Q3	*-6.0*	*3.5*	*-2.1*	*34.1*	*6.4*	*23.2*	*0.9*	..
Q4	*-3.4*	*8.3*	*2.6*	*38.1*	*14.5*	*-12.3*	*4.2*	..

1 Annual data includes adjustment for net foreign trade and stock change in other solid fuels.

2 Quarterly data from Q1 1985 onwards are the estimated annual outturn. Comparisons with 1984 are based on corresponding estimated outturns in that year, not the data shown in the table.

3 The inclusion of Northern Ireland would add about 2 per cent to the total.

Source: Department of Energy


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1983
1984
1985
1986
1987
1988

16 Index of output of the production industries

1985 = 100

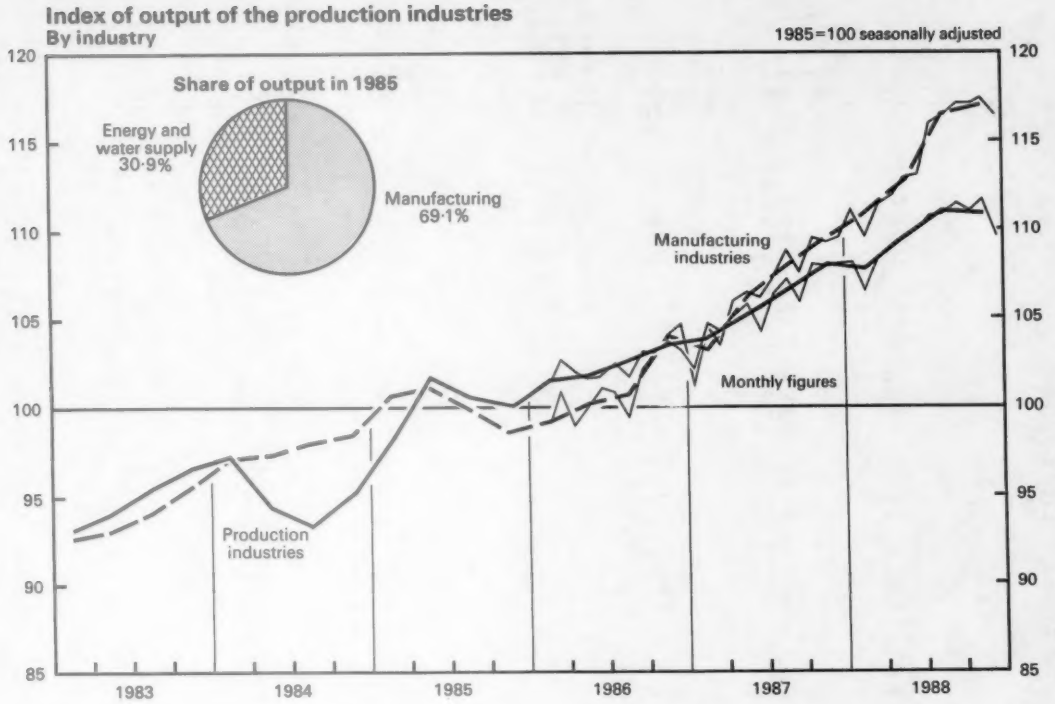
	Total production industries	Energy and water supply	Total manufacturing industries[1]	By market sector: Consumer goods industries	Investment goods industries	Intermediate goods industries
1985 weights	*1 000*	*309*	*691*	*242*	*195*	*563*
	DVIM	DVIN	DVIS	DVJP	DVJV	DVJZ
1982	91.3	91.6	91.1	92.4	91.3	90.4
1983	94.7	96.8	93.7	95.3	91.8	95.4
1984	94.9	88.8	97.6	98.1	95.8	93.2
1985	100.0	100.0	100.0	100.0	100.0	100.0
1986	102.2	105.0	100.9	101.6	99.0	103.5
1987	105.8	103.9	106.6	106.5	103.3†	106.3
1988	109.7†	99.7	114.1†	112.4†	111.2	107.9†
1983 Q4	96.7	98.9	95.7	96.9	93.8	97.6
1984 Q1	97.2	97.6	97.0	97.7	94.2	98.0
Q2	94.3	87.6	97.3	98.7	94.6	92.3
Q3	93.2	82.7	97.9	98.0	96.1	90.1
Q4	94.9	87.3	98.3	98.1	98.4	92.3
1985 Q1	97.9	92.0	100.5	100.5	101.3	95.6
Q2	101.6	102.7	101.1	99.9	102.6	101.9
Q3	100.5	102.1	99.8	100.4	99.1	101.0
Q4	100.0	103.2	98.6	99.1	97.0	101.4
1986 Q1	101.4	106.4	99.1	99.8	99.4	102.7
Q2	101.7	105.1	100.1	101.2	97.7	103.2
Q3	102.4	106.5	100.6	101.7	97.3	104.5
Q4	103.3	102.0	103.9	103.7	101.7†	103.7
1987 Q1	103.7	105.2	103.0	103.2	99.5	105.4†
Q2	105.0	102.4	106.2	105.8	103.4	105.3
Q3	106.4	103.2	107.9	108.0†	103.5	106.7
Q4	108.0	104.8	109.4	108.8	106.8	108.0
1988 Q1	107.7	100.9	110.8	109.5	106.1	107.5
Q2	109.3†	102.3	112.4†	111.6	108.5	108.6
Q3	110.8	98.7	116.2	113.7	114.8	108.2
Q4	110.8	96.9†	117.0	114.9	115.6	107.4
1986 Aug	101.7	107.0	99.3	101.8	94.4	104.2
Sep	103.1	106.2	101.8	102.4	98.7	105.0
Oct	103.0	102.9	103.0	103.7	99.7	103.8
Nov	103.7	103.2	104.0	103.4	102.3†	104.4
Dec	103.2	99.8	104.7	103.9	103.1	103.0†
1987 Jan	102.1	104.5	101.1	102.5	97.2	103.7
Feb	104.7	105.1	104.6†	103.5	101.7	106.3
Mar	104.2	106.0	103.4	103.6	99.6	106.1
Apr	105.1	102.9	106.0	105.8	103.2	105.4
May	105.8	104.4	106.4	106.2	103.8	106.3
Jun	104.2	99.7	106.2	105.4	103.3	104.1
Jul	106.3	104.1	107.3	107.6†	102.1	107.2
Aug	107.2	103.4	108.8	108.7	105.0	107.3
Sep	105.8	102.0	107.5	107.8	103.5	105.7
Oct	108.0	104.9	109.4	108.8	106.0	108.4
Nov	107.8†	104.7	109.2	108.5	105.7	108.3
Dec	108.1	104.9	109.5	109.2	108.8	107.4
1988 Jan	108.2	101.4	111.2	110.2	103.6	108.9
Feb	106.5	99.6	109.6	108.3	105.4	106.2
Mar	108.4	101.7	111.4	109.9	109.3	107.5
Apr	108.7	102.2	111.6	110.2	107.5	108.5
May	109.4	102.0	112.6	112.8	106.7	108.8
Jun	109.9	102.8	113.1	111.9	111.2	108.6
Jul	110.6	99.0†	115.7	113.5	113.4	108.3
Aug	110.6	98.4	116.1	113.1	114.9	108.0
Sep	111.2	98.8	116.7	114.5	116.0	108.1
Oct	110.6	97.3	116.5	114.0	115.3	107.5
Nov	111.3	98.3	117.2	115.4	116.4	107.8
Dec	110.4	95.0	117.3	115.3	115.0	106.8
1989 Jan	109.1	88.2	118.5	116.2	114.4	104.2

1 The figures for manufacturing industries contain an adjustment for stock changes and for measurement bias - see Annual Supplement 1988 edition.

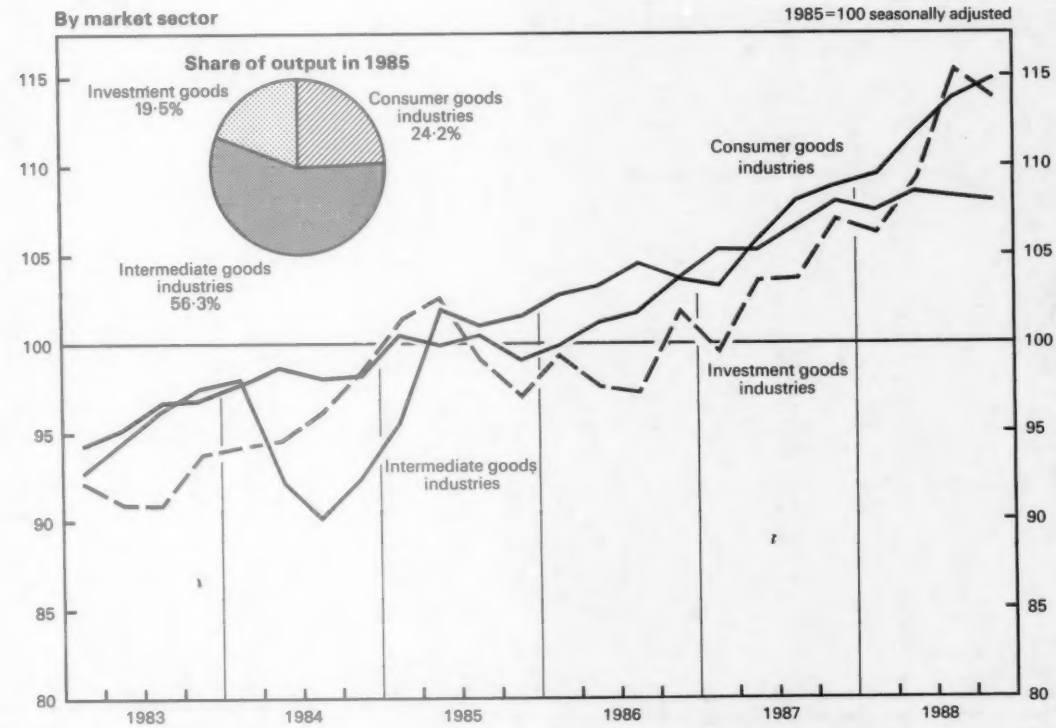
Source: Central Statistical Office

Index of output of the production industries

By industry



By market sector



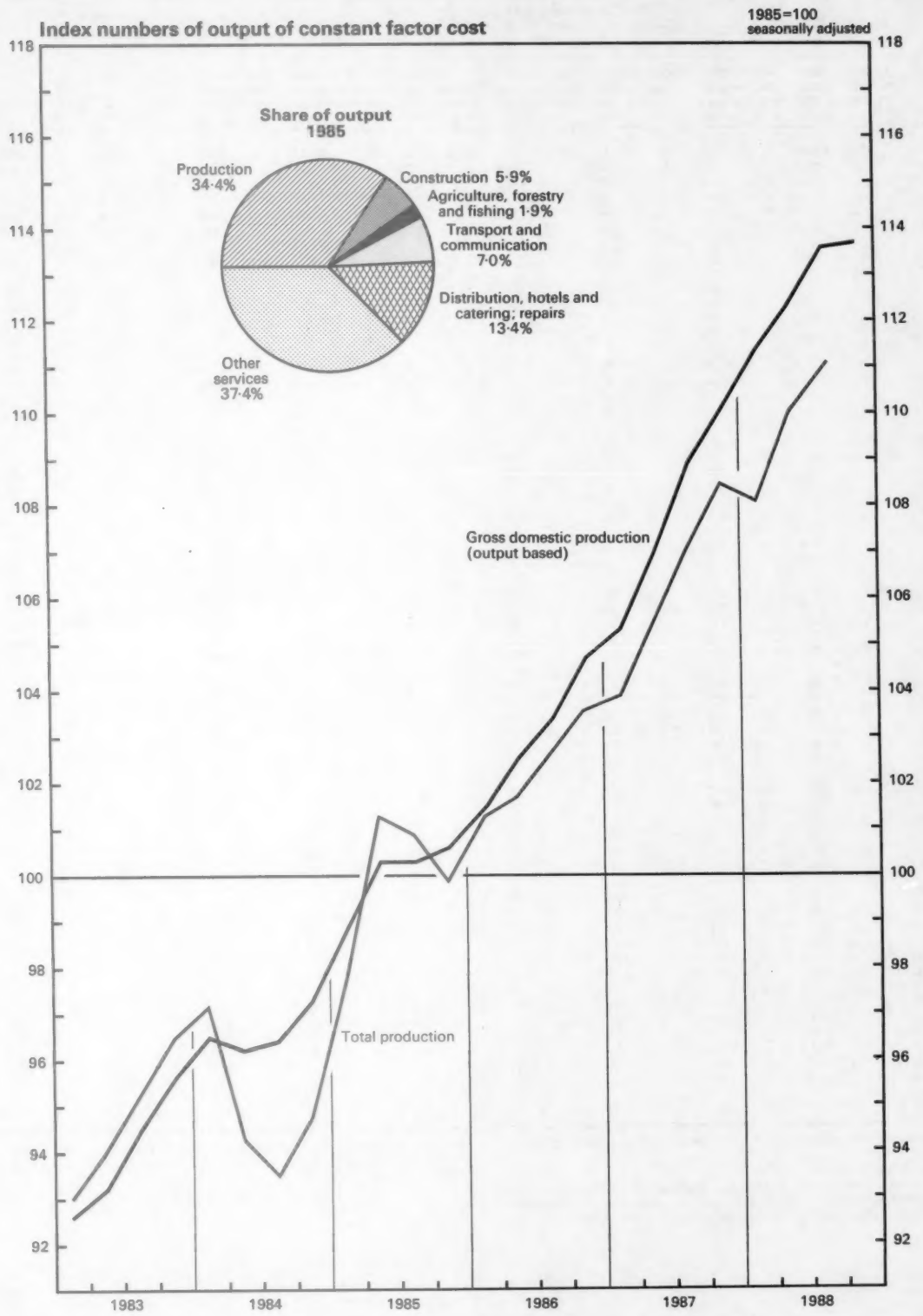
17 Index numbers of output at constant factor cost

1985 = 100

	Agriculture, forestry and fishing	Production industries[1]	Construction	Service industries: Distribution; hotels and catering; repairs	Service industries: Transport and communication	Service industries: Other services	Service industries: Total services	Gross domestic product
1985 weights	*19*	*344*	*59*	*134*	*70*	*374*	*578*	*1 000*
	CKAP	DVIM	DVJO	CKAQ	CKAR	CKAS	CKCE	DSAE
1980	85.2	92.5	88.7	87.7	91.0	89.4	89.2	90.2
1981	87.4	89.6	81.8	86.3	91.2	90.3	89.5	89.0
1982	94.7	91.3	88.3	87.9	90.3	91.9	90.8	90.9
1983	89.6	94.7	93.9	91.7	93.0	94.6	93.7	94.0
1984	105.6†	94.9	98.4†	95.8	96.8†	98.6†	97.7†	97.0†
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	99.1	102.2	100.8	104.0†	104.5	103.4	103.7	102.9
1987	99.1	105.8	108.8	110.3	111.9	108.2	109.1	107.8
1988	100.3	109.7†	116.6	116.1	117.7	112.8	114.1	112.4
1983 Q1	90	93.0	92.6	90	91	94	92.5	92.6
Q2	87	94.0	91.3	91	93	94	93.2	93.2
Q3	88	94.9	95.3	92	93	95	94.2	94.5
Q4	93	96.7	96.5	93	95	96	95.1	95.6
1984 Q1	101	97.2	97.4†	94	95	98†	96.7†	97.0†
Q2	107	94.3	98.4	95	96	98	97.4	96.6
Q3	109†	93.2	99.4	96	97†	99	98.0	96.6
Q4	105	94.9	98.5	98	99	99	98.9	97.6
1985 Q1	102	97.9	100.5	99	100	99	99.3	98.9
Q2	100	101.6	100.0	100	100	100	99.7	100.4
Q3	99	100.5	98.6	100	100	100	100.1	100.1
Q4	99	100.0	100.9	101	101	101	100.9	100.6
1986 Q1	99	101.4	96.7	101†	103	102	101.7	101.3
Q2	99	101.7	101.0	103	103	103	102.9	102.3
Q3	99	102.4	101.7	105	105	104	104.2	103.3
Q4	99	103.3	103.9	107	108	105	105.9	104.8
1987 Q1	99	103.7	107.3	107	107	106	106.4	105.4
Q2	99	105.0	105.7	109	112	107	108.4	106.9
Q3	99	106.4	109.2	111	115	109	110.3	108.7
Q4	99	108.0	112.8	114	114	110	111.4	110.1
1988 Q1	100	107.7	116.5	115	117	111	112.9	111.2
Q2	100	109.3†	115.9	114	117	112	113.3	111.8
Q3	100	110.8	114.4	117	119	114	115.1	113.2
Q4	101	110.8	117.4	118	119	114	115.3	113.5
Percentage change, quarter on corresponding quarter of previous year								
1983 Q3	*-9*	*3.3*	*7*	*5*	*4*	*3*	*3.6*	*3.5*
Q4	*-1*	*6.1*	*6*	*5*	*4*	*3*	*3.6*	*4.5*
1984 Q1	*13*	*4.5*	*5*	*4*	*5*	*2*	*2.9*	*4.7*
Q2	*24*	*0.3*	*8*	*5*	*4*	*2*	*3.1*	*3.6*
Q3	*24*	*-1.8*	*4*	*4*	*5*	*2*	*2.9*	*2.2*
Q4	*13*	*-1.9*	*2*	*5*	*5*	*2*	*3.0*	*2.1*
1985 Q1	*-*	*0.7*	*3*	*5*	*5*	*1*	*2.7*	*2.0*
Q2	*-7*	*7.7*	*1*	*5*	*4*	*1*	*2.4*	*3.9*
Q3	*-9*	*7.8*	*-1*	*4*	*3*	*1*	*2.1*	*3.6*
Q4	*-6*	*5.4*	*3*	*4*	*2*	*2*	*2.0*	*3.0*
1986 Q1	*-2*	*3.6*	*-4*	*3*	*3*	*2*	*2.4*	*2.3*
Q2	*-1*	*0.1*	*2*	*3*	*4*	*3*	*3.2*	*1.9*
Q3	*-*	*1.9*	*3*	*4*	*4*	*4*	*4.1*	*3.2*
Q4	*-*	*3.3*	*3*	*6*	*7*	*4*	*5.0*	*4.2*
1987 Q1	*-*	*2.3*	*11*	*5*	*4*	*5*	*4.7*	*4.1*
Q2	*-*	*3.2*	*5*	*6*	*8*	*5*	*5.3*	*4.5*
Q3	*-*	*3.9*	*7*	*6*	*10*	*5*	*5.9*	*5.2*
Q4	*-*	*4.5*	*9*	*7*	*6*	*5*	*5.2*	*5.1*
1988 Q1	*1*	*3.9*	*10*	*8*	*9*	*5*	*6.1*	*5.5*
Q2	*1*	*4.1*	*10*	*5*	*5*	*4*	*4.5*	*4.6*
Q3	*1*	*4.1*	*5*	*5*	*3*	*4*	*4.3*	*4.1*
Q4	*2*	*2.6*	*4*	*4*	*4*	*3*	*3.4*	*3.1*

1 The latest data for the index of production are presented in Table 16. The figures given in this table are consistent with the figures for the output measure of gross domestic product.

Source: Central Statistical Office


Index numbers of output of constant factor cost
1985=100
seasonally adjusted
Share of output
1985
Production
34·4%
Construction 5·9%
Agriculture, forestry
and fishing 1·9%
Transport and
communication
7·0%
Distribution, hotels and
catering; repairs
13·4%
Other
services
37·4%
Gross domestic production
(output based)
Total production
118
116
114
112
110
108
106
104
102
100
98
96
94
92
1983
1984
1985
1986
1987
1988

18 Engineering and construction: output and orders

Volume index numbers

	Engineering industries[1]							Construction (GB)	
	Home market		Export		Total				
	Orders on hand end of period (average 1985 = 100)	New orders[2] (1985 average monthly sales = 100)	Orders on hand end of period (average 1985 = 100)	New orders[2] (1985 average monthly sales = 100)	Sales[2] (1985 average monthly sales = 100)	Orders on hand end of period (average 1985 =100)	New orders[2] (1985 average monthly sales = 100)	Gross output[3] (1985 = 100)	Orders received (1985 = 100)
	FEAV	FEAN	FEAX	FEAP	FEAJ	DKCJ	FEAL	FEAQ	FEAZ
1984	104†	100	95†	98†	93	100	100	98.9	102.9
1985	96	96	100	103	100	98†	98	100.0	100.0
1986	97	100	97	99	100	97	99	103.3	108.2
1987	102	105†	96	106	104	100	105†	111.4	128.8[4]
1988	113	116	106	128	114	110	120	119.3†	134.8†
1984 Q4	104†	102†	95†	97†	95	100	100†	98.6	104.6
1985 Q1	103	99	97	104	99	101	101	100.6	98.5
Q2	98	90	100	110	101	99	97	99.9	100.7
Q3	100	102	102	101	98	101	102	98.8	96.8
Q4	96	94	100	95	101	98†	94	100.8	104.0
1986 Q1	95	98	98	95	100	96	97	98.7	104.1
Q2	96	101	95	91	98†	96	98	103.3	106.8
Q3	96	97	93	92	98	95	96	104.4	114.2
Q4	97	102	97	117	102	97	107	106.6	107.6
1987 Q1	99	100	100	110	99	99	103	110.0	115.9
Q2	97	97	99	102	102	98	99	108.4	117.5
Q3	99	107	97	101	104	98	105	111.7	165.8[4]
Q4	102	115	96	109	109	100	113	115.5	116.0
1988 Q1	108	116	106	137	107	107	123	121.2†	141.9†
Q2	110	113	105	115	112	108	114	116.9	125.6
Q3	113	120	103	125	119	109	122	117.0	129.1
Q4	113	115	106	134	120	110	121	120.3	142.6
1986 Aug	95†	96†	93†	89†	94	94†	94†	..	104.4
Sep	96	109	93	106	102†	95	108	..	108.2
Oct	98	112	94	107	99	97	111	..	108.3
Nov	97	90	94	111	104	96	97	..	109.2
Dec	97	103	97	133	104	97	114	..	104.7
1987 Jan	98	96	101	124	94	99	106	..	123.9
Feb	99	105	100	100	101	99	103	..	110.0
Mar	99	98	100	107	101	99	101	..	113.9
Apr	97	89	98	88	103	97	89	..	112.5
May	97	100	98	109	103	97	103	..	129.8
Jun	97	103	99	110	102	98	105	..	110.1
Jul	98	101	97	90	100	97	97	..	230.9[4]
Aug	98	109	98	109	106	98	109	..	143.9
Sep	99	110	97	105	106	98	109	..	122.6
Oct	99	109	97	110	107	99	109	..	116.3
Nov	101	118	97	114	109	100	117	..	113.1
Dec	102	117	96	104	112	100	113	..	118.4
1988 Jan	108	134	105	174	103	107	148	..	140.9†
Feb	107	99	105	113	105	106	103	..	148.6
Mar	108	116	106	125	112	107	119	..	136.2
Apr	108	102	107	119	109	107	108	..	128.9
May	110	124	106	114	110	109	120	..	123.9
Jun	110	113	105	114	117	108	113	..	124.0
Jul	113	126	103	111	115	109	121	..	128.3
Aug	114	122	103	129	119	110	124	..	128.1
Sep	113	112	103	135	125	109	120	..	130.9
Oct	113	115	103	125	119	109	119	..	137.2
Nov	114	121	105	146	120	111	130	..	149.6
Dec	113	108	106	131	120	110	118	..	141.1
1989 Jan	113	107	106	126	113	110	114	..	..

1 Mechanical, instrument and electrical engineering (SIC classes 32, 33, 34 and 37).

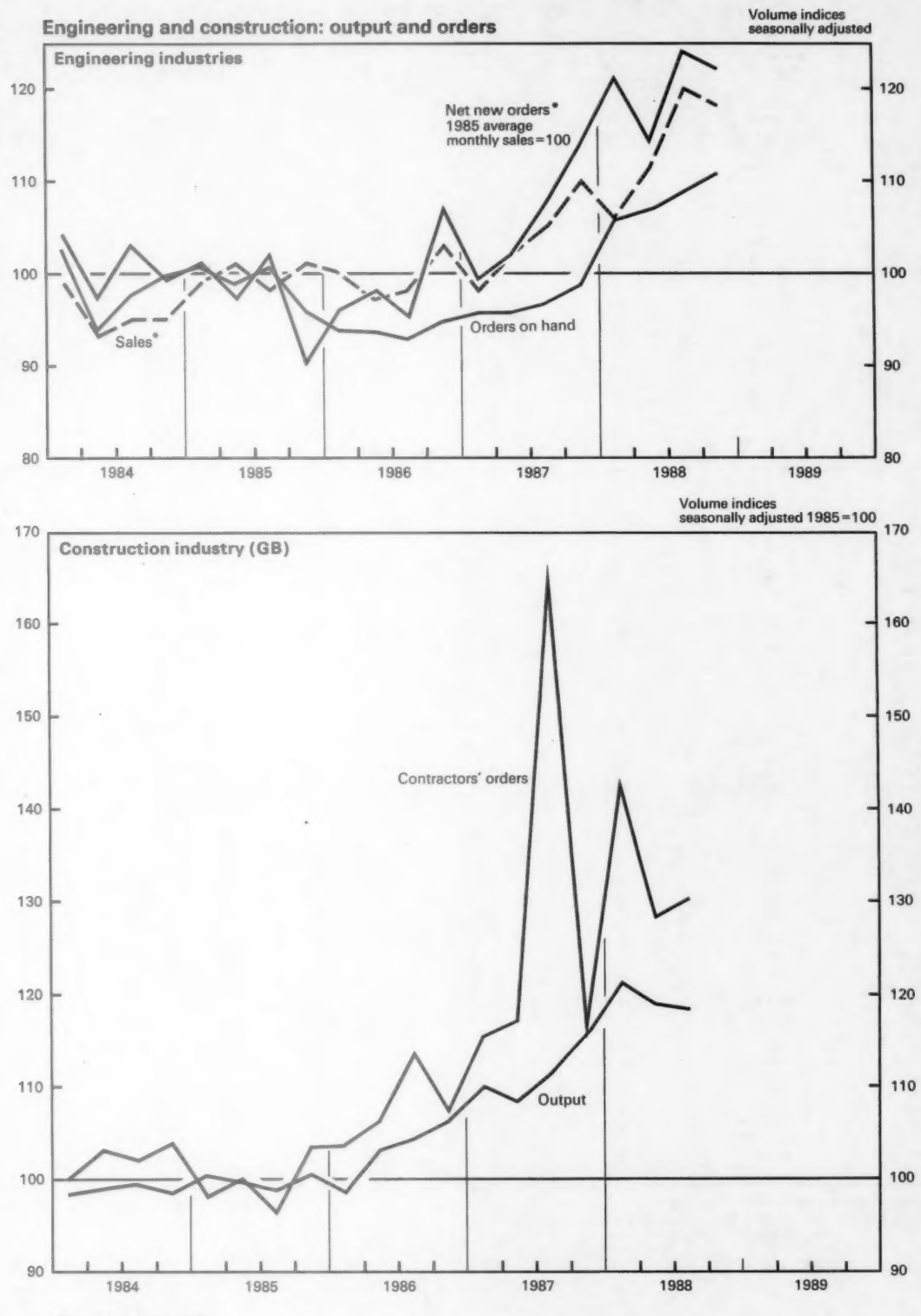
2 Net of cancellations.

3 This index is based on a gross output series which includes repair and maintenance estimates, unrecorded output by self-employed workers and small firms and output by the direct labour departments of the public sector.

4 Includes the Channel Tunnel project. Excluding the project, the level of orders would have been 137.4 in July 1987, 134.6 in third quarter 1987 and 121.0 in 1987 as a whole.

Sources: Department of Trade and Industry; Department of the Environment

Engineering and construction: output and orders



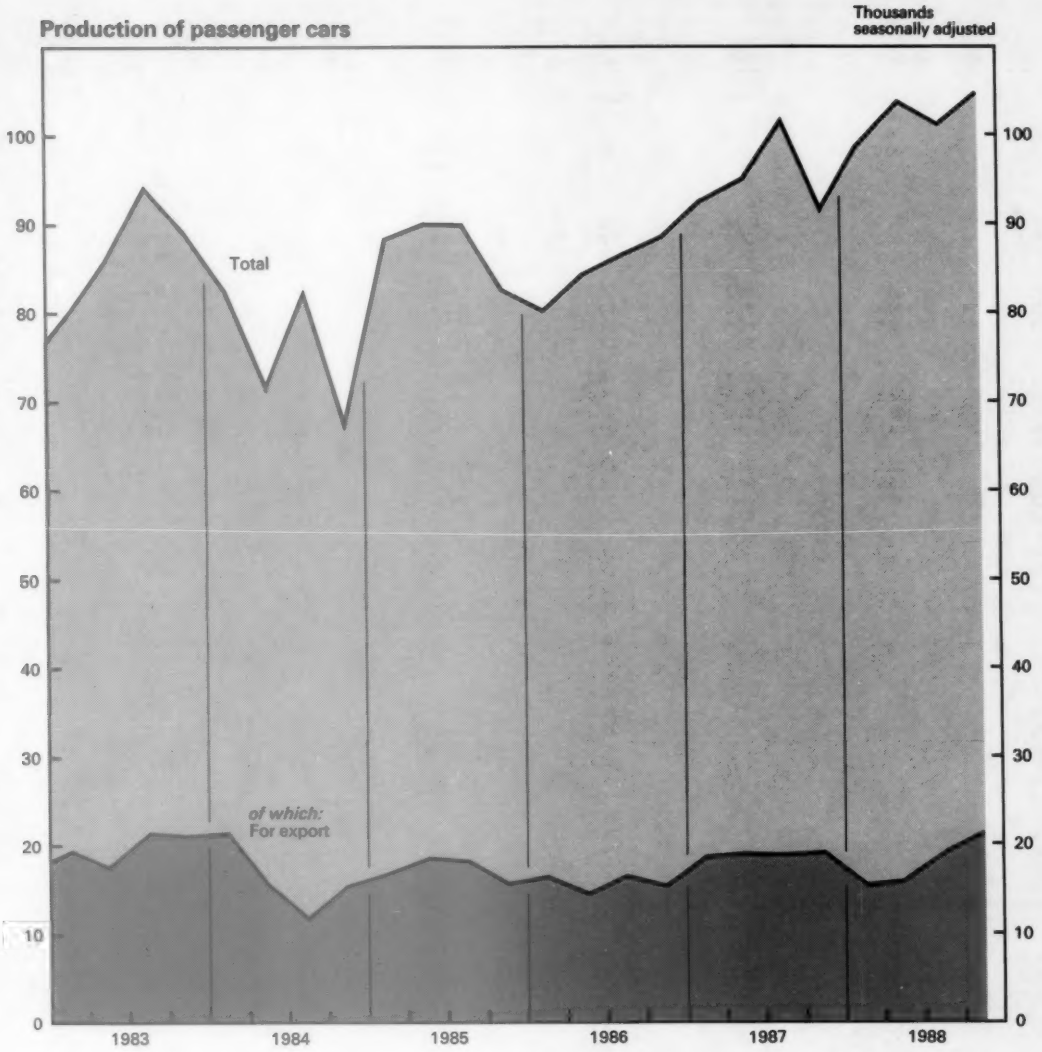
*See footnote [2] on page 32

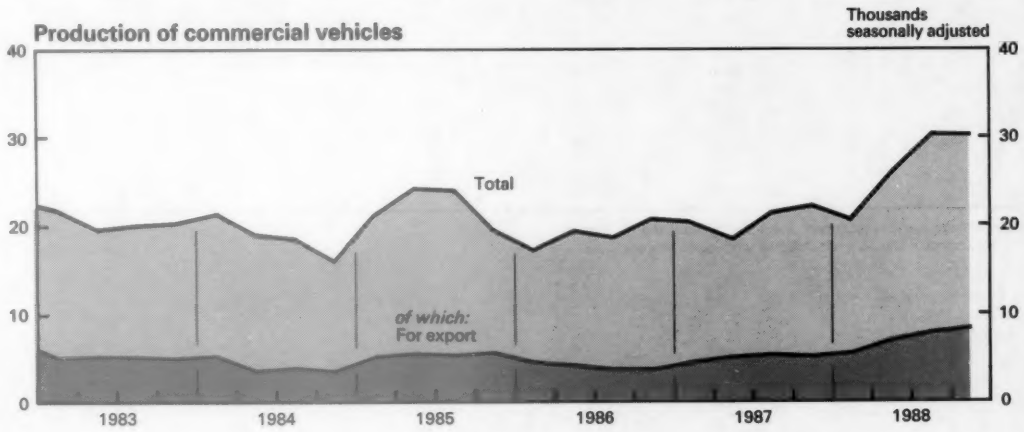
19 Motor vehicle production[1] and steel production and consumption

	Passenger cars+		Commercial vehicles+		Crude steel production[2] (thousand tonnes)	Finished steel consumption (thousand tonnes)
	Total production (thousands)	Of which for export (thousands)	Total production (thousands)	Of which for export (thousands)		
	FFAO	FFAP	FFAQ	FFAR	FFAM	FFAN
1977	104.3	46.9	33.3	16.4	20 385	15 300
1978	89.3	41.2	32.0	14.1	20 237	15 710
1979	77.0	32.8	34.0	13.5	21 411	15 480
1980	77.0	29.1	32.4	13.0	11 387	12 770
1981	79.5	25.4	19.2	9.6	15 308	12 440
1982	74.0	18.8	22.4	7.7	13 644	12 240
1983	87.1†	19.8	20.4	5.2	14 933	11 510
1984	75.8	16.0	18.7	4.1†	15 076	11 340
1985	87.4	17.3	22.3†	5.5	15 716	11 560
1986	84.9	15.6	19.0	4.1	14 723	11 840†
1987	95.3	18.9	20.5	5.1	17 726	12 330
1988	102.2	17.8†	26.5	7.0	18 870	14 430
1984 Q3	82.1	11.8	18.6	3.9	3 743	2 910
Q4	67.2	15.4	16.1	3.7	3 766	2 860
1985 Q1	87.2†	15.8†	21.4†	5.0†	3 714	2 820
Q2	91.2	19.0	23.9	5.6	4 117	2 820
Q3	87.8	17.7	24.1	5.4	3 920	2 910
Q4	83.2	16.8	19.8	5.9	3 965	3 010
1986 Q1	77.0	16.4	17.3	4.8	3 787	2 950
Q2	85.2	15.0	19.5	4.2	3 256	3 010
Q3	87.9	16.3	18.7	3.7	3 436	2 960
Q4	89.4	14.8	20.7	3.9	4 244	2 890
1987 Q1	89.2	18.8	20.4	4.5	3 989	2 870
Q2	96.3	19.6	18.7	5.1	4 392	3 030
Q3	103.5	18.8	21.3	5.3	4 673	3 260
Q4	92.1	18.2	21.8	5.3	4 672	3 170
1988 Q1	93.9	15.6	20.2	5.3	4 751	3 550
Q2	106.5	16.5	26.4	7.0	4 694	3 650†
Q3	103.3	19.1	30.1	7.9	4 675	3 610
Q4	105.2	20.2	29.6	7.9	4 727†	3 620
1986 Dec	98.7†	17.0†	24.4†	4.0	1 387	..
1987 Jan	78.1	16.7	19.8	4.1	1 493*	..
Feb	89.1	19.1	20.1	4.2†	1 270	..
Mar	100.4	20.6	21.3	5.3	1 226	..
Apr	90.5	18.4	17.7	4.9	1 724*	..
May	97.2	20.2	19.2	5.4	1 281	..
Jun	101.2	20.1	19.3	5.0	1 388	..
Jul	102.0	19.8	19.2	4.9	1 674*	..
Aug	105.8	17.6	21.7	5.3	1 318	..
Sep	102.6	19.1	23.0	5.8	1 681*	..
Oct	95.4	19.0	21.5	5.0	1 390	..
Nov	86.2	17.6	21.3	5.1	1 425	..
Dec	94.7	18.0	22.5	5.7	1 856*	..
1988 Jan	96.1	16.3	22.0	5.8	1 622	..
Feb	82.0	15.6	16.1	3.7	1 446	..
Mar	103.6	14.8	22.5	6.4	1 682*	..
Apr	102.5	16.7	24.1	6.2	1 432	..
May	103.6	14.8	25.8	6.5	1 513	..
Jun	113.4	18.0	29.2	8.4	1 749*	..
Jul	106.1	18.1	29.0	8.5	1 514	..
Aug	102.7	19.0	33.2	7.5	1 420	..
Sep	101.2	20.2	28.1	7.7	1 742*	..
Oct	105.9	22.7	29.1	8.0	1 470	..
Nov	111.2	22.1	29.0	7.9	1 805*	..
Dec	98.6	15.7	30.7	7.8	1 453†	..
1989 Jan	112.6	23.9	30.7	8.2	1 623	..
Feb	..	..	..	..	1 566	..

1 Annual and quarterly figures are monthly averages.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.

Source: Department of Trade and Industry


Production of passenger cars
Thousands
seasonally adjusted
100
90
80
70
60
50
40
30
20
10
0
Total
of which:
For export
1983
1984
1985
1986
1987
1988


Production of commercial vehicles
Thousands
seasonally adjusted
40
30
20
10
0
Total
of which:
For export
1983
1984
1985
1986
1987
1988

20 Output per person employed

1985 = 100

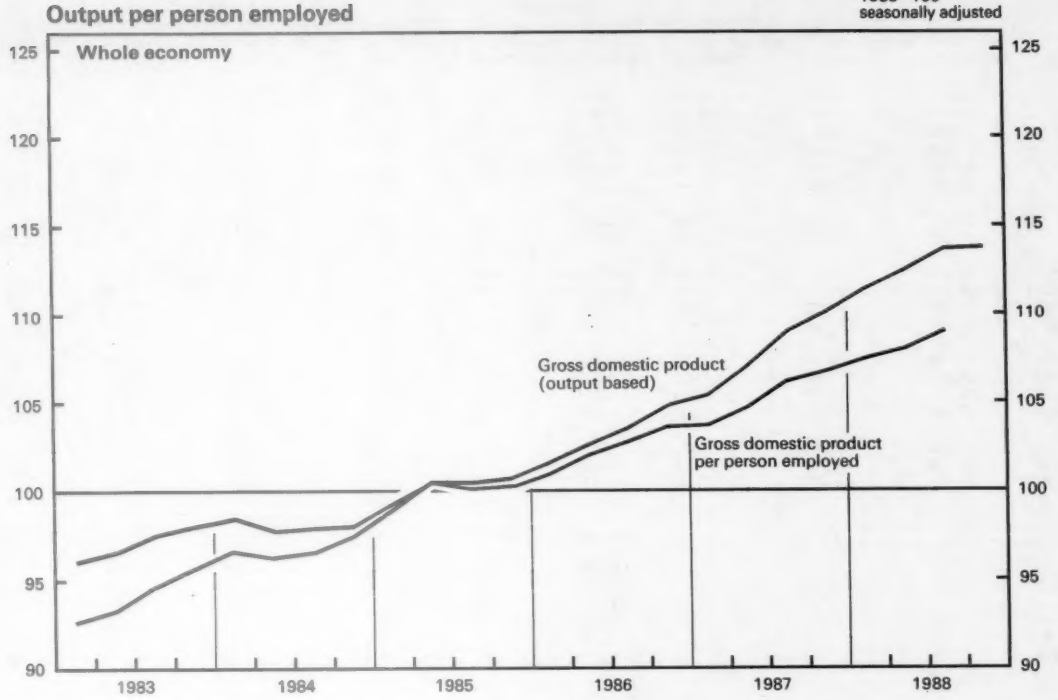
	Employed labour force[1]			Output per person employed[2]			
	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	Output per hour in manufacturing industries
	DMBC	DMBK	DMBD	DMBE	CAIW	DMBF	DMBH
1984	98.6	100.8	100.5	98.4†	94.1	97.2	97.8
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	100.6	97.3	98.0	102.3	105.0	103.0	103.3
1987	102.8†	96.1†	97.2†	104.9	110.1†	109.7†	109.3†
1988	..	97.0	98.7	..	113.0	115.5	114.4
1985 Q2	99.9	100.2	100.1	100.5†	101.4	101.0	101.1
Q3	100.2	99.9	100.0	99.9	100.6	99.8	99.8
Q4	100.3	99.4	99.7	100.3	100.6	98.9	98.8
1986 Q1	100.3	98.7	99.2	100.9	102.7	100.0	100.0
Q2	100.4	97.6	98.3	101.9	104.2	101.9	102.2
Q3	100.6	96.8	97.4	102.7	105.8	103.3	103.6
Q4	101.0	96.3	97.1	103.7	107.3	107.0	107.4
1987 Q1	101.5	95.8	96.7	103.9	108.3	106.5	106.7
Q2	102.3†	95.9†	96.9†	104.5	109.5†	109.6†	109.4†
Q3	103.1	96.2	97.4	105.4	110.6	110.7	110.3
Q4	104.1	96.5	97.9	105.8	111.9	111.8	111.0
1988 Q1	105.1	97.0	98.6	105.8	111.1	112.4	111.3
Q2	105.8	97.0	98.7	105.7	112.7	113.9	113.0
Q3	106.2	97.0	98.9	106.6	114.2	117.5	116.4
Q4	..	97.1	98.8	..	114.1	118.4	116.9
1987 Sep	..	..	97.5†	..	..	110.3†	109.6†
Oct	..	..	97.7	..	..	112.0	111.2
Nov	..	..	97.9	..	..	111.6	110.9
Dec	..	..	98.0	..	..	111.7	110.9
1988 Jan	..	..	98.4	..	..	113.1	111.7
Feb	..	..	98.6	..	..	111.2	110.3
Mar	..	..	98.7	..	..	112.9	112.0
Apr	..	..	98.7	..	..	113.1	112.2
May	..	..	98.8	..	..	114.0	113.1
Jun	..	..	98.7	..	..	114.6	113.7
Jul	..	..	98.8	..	..	117.0	116.0
Aug	..	..	98.9	..	..	117.3	116.3
Sep	..	..	98.9	..	..	118.1	117.1
Oct	..	..	98.7	..	..	118.1	116.6
Nov	..	..	98.8	..	..	118.6	117.1
Dec	..	..	99.0	..	..	118.5	117.0
1989 Jan	..	..	99.1	..	..	119.5	117.7
Percentage change, quarter on corresponding quarter of previous year							
1985 Q2	*1.6*	*-0.7*	*-0.3*	*2.3*	*8.4*	*4.2*	*3.9*
Q3	*1.5*	*-0.7*	*-0.6*	*2.1*	*8.6*	*2.6*	*2.0*
Q4	*1.1*	*-1.1*	*-0.7*	*1.9*	*6.6*	*1.0*	*0.7*
1986 Q1	*0.7*	*-1.8*	*-1.1*	*1.6*	*5.4*	*-0.3*	*-0.3*
Q2	*0.5*	*-2.6*	*-1.8*	*1.4*	*2.8*	*1.0*	*1.2*
Q3	*0.4*	*-3.1*	*-2.5*	*2.8*	*5.2*	*3.4*	*3.8*
Q4	*0.7*	*-3.2*	*-2.6*	*3.5*	*6.7*	*8.2*	*8.8*
1987 Q1	*1.2*	*-2.9*	*-2.5*	*2.9*	*5.4*	*6.6*	*6.7*
Q2	*1.9*	*-1.8*	*-1.4*	*2.5*	*5.2*	*7.5*	*7.0*
Q3	*2.5*	*-0.6*	-	*2.6*	*4.6*	*7.2*	*6.5*
Q4	*3.1*	*0.2*	*0.8*	*2.0*	*4.3*	*4.5*	*3.3*
1988 Q1	*3.5*	*1.2*	*1.9*	*1.9*	*2.6*	*5.5*	*4.4*
Q2	*3.4*	*1.2*	*1.9*	*1.2*	*2.9*	*3.9*	*3.3*
Q3	*3.0*	*0.8*	*1.5*	*1.1*	*3.2*	*6.1*	*5.6*
Q4	..	*0.6*	*1.0*	..	*2.0*	*5.9*	*5.3*

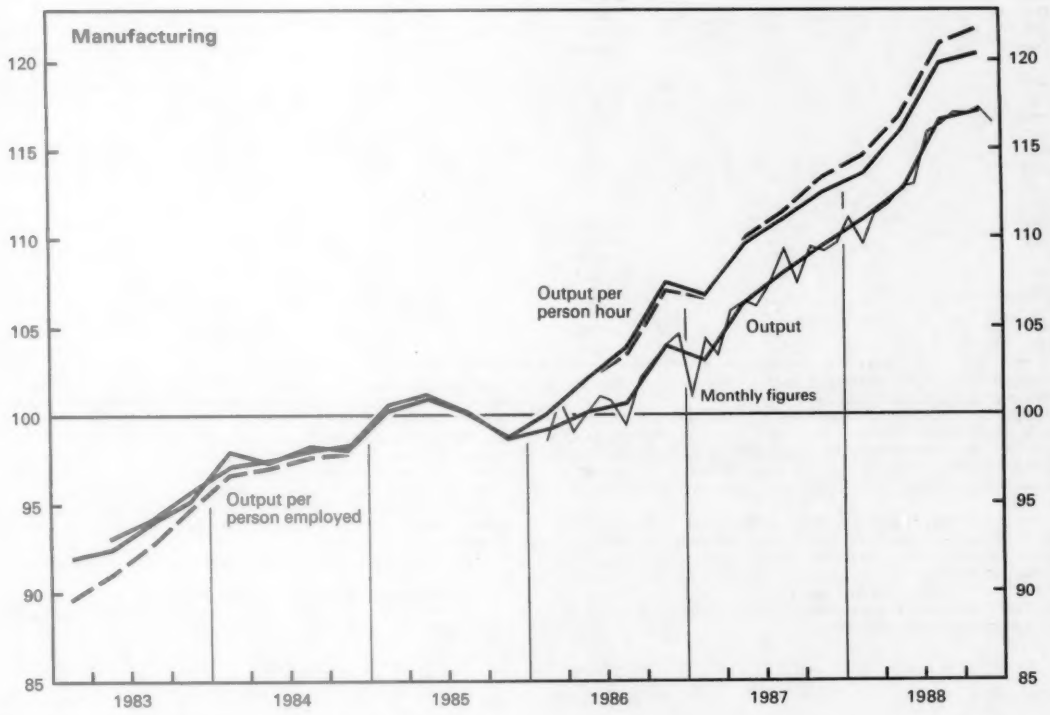
1 Comprises employees in employment, the self-employed and HM Forces.
2 The ratios do not take into account part-time working or hours of work.

Sources: Department of Employment; Central Statistical Office

Output per person employed

1985=100
seasonally adjusted





21 National employment and unemployment [1]

	Workforce[2,3] (thousands)	Workforce in employment[2,3,4] (thousands)	Employees in employment[2,3,4] (thousands)	Unemployed[5] Total (thousands)	Unemployed[5] Percentage of workforce[6]	Vacancies at job centres[7] (thousands)	Employees in employment (GB) (thousands) Manufacturing industry	Employees in employment (GB) (thousands) Production industry	Total unemployed[5] (thousands) (NSA)
	DYDD	DYDC	BCAJ	BCJD	BCJE	DPCB	BCHK	DYCP	BCJA
1982	26 609	23 888	21 394	2 546.7	*9.6*	113.9	5 761	6 432	2 916.9
1983	26 632	23 611	21 052	2 790.5	*10.5*	137.3	5 430	6 069	3 104.7
1984	27 306	24 223	21 225	2 920.6	*10.7*	150.2	5 315	5 922	3 159.8
1985	27 820	24 607	21 495	3 035.7	*10.9*	162.1	5 272	5 852	3 271.2
1986	28 064	24 746	21 572	3 107.2	*11.1*	188.3	5 146	5 676	3 289.1
1987	28 361†	25 369†	21 879†	2 822.3	*10.0*	235.0	5 078†	5 568†	2 953.4
1988	28 629	26 204	22 559	2 294.5†	*8.1*	245.1	5 149	5 612	2 370.4
1986 Q1	28 009	24 697	21 561	3 099.4	*11.1*	170.3	5 204	5 745	3 356.1
Q2	28 064	24 746	21 572	3 122.7	*11.2*	177.7	5 146	5 676	3 275.1
Q3	28 165	24 883	21 590	3 126.0	*11.2*	198.6	5 107	5 626	3 297.5
Q4	28 196	24 982	21 641	3 080.6	*11.0*	208.6	5 084	5 593	3 227.7
1987 Q1	28 206	25 079	21 702	3 010.5	*10.6*	214.1	5 053	5 548	3 222.1
Q2	28 361†	25 369†	21 879†	2 900.5	*10.3*	228.3	5 078†	5 568†	2 999.6
Q3	28 474	25 638	22 044	2 765.8	*9.8*	239.1	5 089	5 579	2 880.8
Q4	28 558	25 878	22 271	2 612.3	*9.2*	260.0	5 117	5 602	2 710.9
1988 Q1	28 666	26 100	22 486	2 486.1	*8.7*	249.9	5 151	5 623	2 659.9
Q2	28 629	26 204	22 559	2 363.6	*8.3*	255.2	5 149	5 612	2 434.6
Q3	28 631	26 374	22 656	2 228.2	*7.8*	244.3	5 150	5 610	2 309.6
Q4	..	..	..	2 100.2†	*7.4*	244.9	5 154	5 611	2 077.4
1986 Dec	..	..	..	3 059.0	*10.9*	209.0	5 084	5 593	3 229.2
1987 Jan	..	..	..	3 051.3	*10.8*	212.9	5 065	5 568	3 297.2
Feb	..	..	..	3 007.0	*10.7*	212.3	5 062	5 561	3 225.8
Mar	..	..	..	2 973.1	*10.5*	217.0	5 053	5 548	3 143.4
Apr	..	..	..	2 953.9	*10.5*	219.6	5 046	5 533	3 107.1
May	..	..	..	2 890.5	*10.2*	231.6	5 063†	5 551†	2 986.5
Jun	..	..	..	2 857.2	*10.1*	233.7	5 078	5 568	2 905.3
Jul	..	..	..	2 812.6	*10.0*	235.3	5 081	5 568	2 906.5
Aug	..	..	..	2 766.6	*9.8*	237.7	5 088	5 574	2 865.8
Sep	..	..	..	2 718.1	*9.6*	244.4	5 089	5 579	2 870.2
Oct	..	..	..	2 663.9	*9.4*	259.9	5 098	5 583	2 751.4
Nov	..	..	..	2 604.4	*9.2*	265.1	5 111	5 595	2 685.6
Dec	..	..	..	2 568.6	*9.1*	254.9	5 117	5 602	2 695.8
1988 Jan	..	..	..	2 519.4	*8.9*	250.8	5 134	5 614	2 722.2
Feb	..	..	..	2 485.0	*8.8*	249.6	5 146	5 622	2 665.5
Mar	..	..	..	2 453.9	*8.7*	249.4	5 151	5 623	2 592.1
Apr	..	..	..	2 402.9	*8.5*	255.9	5 149	5 612	2 536.0
May	..	..	..	2 363.8	*8.4*	254.5	5 153	5 614	2 426.9
Jun	..	..	..	2 324.1	*8.2*	255.1	5 149	5 612	2 340.8
Jul	..	..	..	2 267.3	*8.0*	249.7	5 153	5 612	2 326.7
Aug	..	..	..	2 225.6	*7.9*	242.8	5 155	5 614	2 291.2
Sep	..	..	..	2 191.7	*7.8*	240.3	5 150	5 610	2 311.0
Oct	..	..	..	2 157.9	*7.7*	251.2	5 138	5 593	2 118.9
Nov	..	..	..	2 105.2	*7.5*	245.2	5 143	5 597	2 066.9
Dec	..	..	..	2 037.4†	*7.2*	238.3	5 154	5 611	2 046.5
1989 Jan	..	..	..	1 987.8	*7.0*	229.2	5 160	5 612	2 074.3†
Feb	..	..	..	1 946.6	*6.8*	228.1†	..	..	2 018.2

1 Unemployment figures do not include students registered for temporary employment during a current vacation.

2 The workforce consists of the workforce in employment and the unemployed (claimants); the workforce in employment comprises employees in employment, the self-employed, HM Forces and participants in work- related government training programmes. For an explanation of the changes to the presentation of employment statistics see *Employment Gazette*, August 1988.

3 Estimates of employees in employment from December 1984 onwards include an allowance based on the Labour Force Survey to compensate for persistent undercounting in the regular sample enquiries (see *Employment Gazette*, January 1987). For all dates, individuals with two jobs as employees of different employers are counted twice.

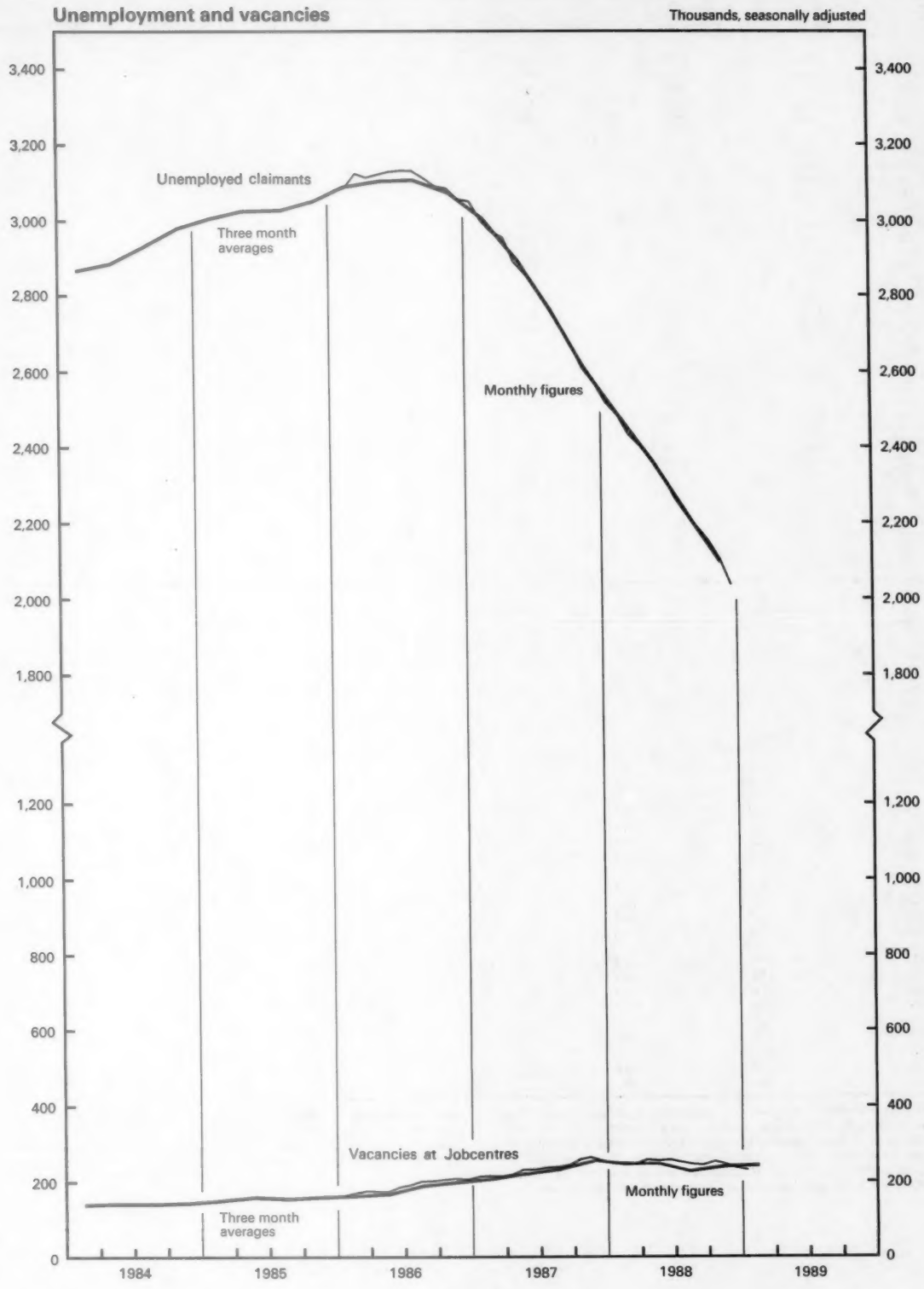
4 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December.

5 Unadjusted unemployment figures have been affected by changes in the coverage. The seasonally adjusted figures however, as given in this table, are estimated on the current basis, allowing for the discontinuities, and are therefore recommended for the purposes of assessing trends. The seasonally adjusted figures now relate only to claimants aged 18 or over in order to maintain the consistent series, available back to 1971 (1974 for the regions), allowing for the effect of the change in benefit regulations for under 18 year olds from September 1988. (See page 660 of the December 1988 *Employment Gazette*. See also page 422 of the October 1986 edition for the list of previous discontinuities taken into account.)

6 The denominator used to calculate unemployment rates is the workforce - see footnote 2.

7 Vacancies notified to job centres and remaining unfilled.

Source: Department of Employment


Unemployment and vacancies
Thousands, seasonally adjusted
3,400
3,200
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,200
1,000
800
600
400
200
0
Unemployed claimants
Three month averages
Monthly figures
Vacancies at Jobcentres
Three month averages
Monthly figures
1984
1985
1986
1987
1988
1989

22 Regional unemployment rates [1]

Percentages

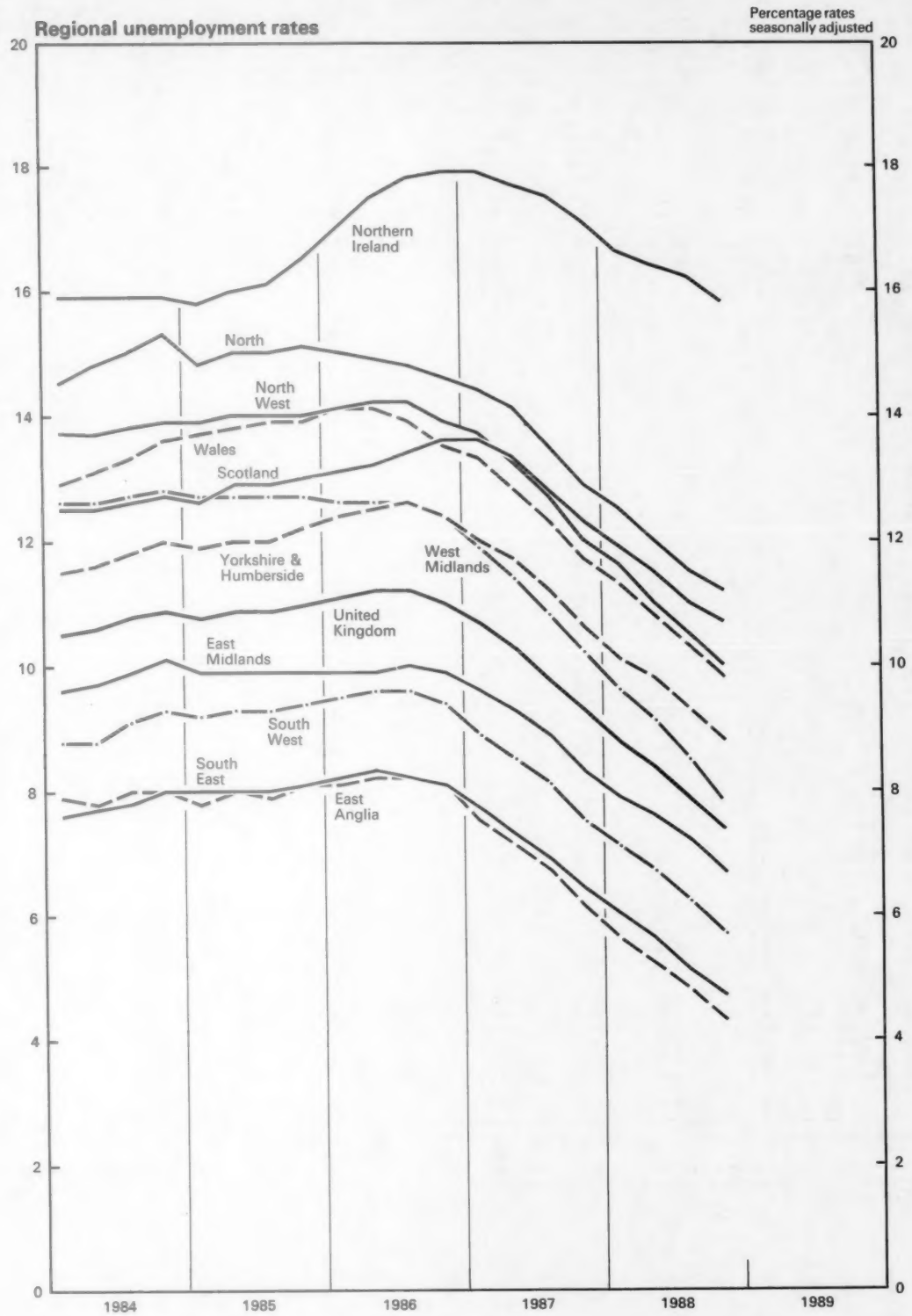
	North	Yorkshire and Humberside	East Midlands	East Anglia	South East	South West	West Midlands
	DPBH	DPBI	DPBJ	DPBK	DPBL	DPBM	DPBN
1982 Q1	12.4	9.9	8.1	7.0	6.4	7.5	11.5
Q2	12.7	10.1	8.2	7.2	6.6	7.7	11.6
Q3	13.3	10.5	8.5	7.5	6.8	7.9	12.0
Q4	13.5	10.9	8.9	7.9	7.1	8.2	12.4
1983 Q1	14.0	11.2	9.2	7.9	7.3	8.5	12.7
Q2	14.3	11.4	9.5	8.0	7.5	8.6†	13.0
Q3	14.3	11.5	9.6	8.0	7.6	8.8	12.9
Q4	14.5	11.5	9.7	8.1	7.7	8.9	12.8
1984 Q1	14.5	11.4†	9.6	7.8†	7.6	8.8	12.6
Q2	14.8	11.5	9.7	7.8	7.7	8.9	12.6
Q3	15.0	11.8	9.9	7.9	7.8	9.1	12.7
Q4	15.3	12.0	10.1	8.0	8.0	9.3	12.8
1985 Q1	14.8	11.8	9.9	7.8	8.0	9.2	12.7
Q2	15.0	12.0	9.9	7.9	8.0	9.3	12.7
Q3	15.0	12.0	9.9	8.0	8.0	9.3	12.7
Q4	15.1	12.2	9.9	8.1	8.1	9.4	12.7
1986 Q1	15.0	12.4	9.9	8.1	8.2	9.5	12.6
Q2	14.9	12.5	9.9	8.2	8.3	9.6	12.6
Q3	14.8	12.5	10.0	8.2	8.2	9.6	12.6
Q4	14.6	12.4	9.9	8.1	8.1	9.4	12.4
1987 Q1	14.4	12.0	9.6	7.5	7.7	8.9	11.9
Q2	14.0†	11.6	9.3	7.1	7.3	8.5	11.4
Q3	13.5	11.1	8.8†	6.6	6.9	8.0	10.8
Q4	12.9	10.5	8.3	6.1	6.4	7.5	10.2
1988 Q1	12.3	10.1	7.8	5.4	5.9†	7.0	9.4†
Q2	11.9	9.7	7.4	5.0	5.5	6.6	8.9
Q3	11.4	9.3	7.0	4.6	5.0	6.1	8.3
Q4	11.1	8.7	6.6	4.1	4.6	5.6	7.6

	North West	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
	DPBO	DPBP	DPBQ	DPAJ	DPBR	BCJE
1983 Q1	13.2	12.8	12.1	10.1	15.1	10.3
Q2	13.5	13.0	12.3	10.3	15.4	10.5
Q3	13.6	12.9	12.4	10.4	15.7	10.6
Q4	13.8	13.0	12.4	10.5	15.8	10.6
1984 Q1	13.7	12.9	12.5	10.4	15.9	10.5
Q2	13.7	13.1	12.5	10.5	15.9	10.6
Q3	13.8	13.3	12.6	10.6	15.9	10.8
Q4	13.9	13.6	12.7	10.8	15.9	10.9
1985 Q1	13.9	13.7	12.6	10.7	15.8	10.8
Q2	14.0	13.8	12.9	10.8	16.0	10.9
Q3	14.0	13.9	12.9	10.8	16.1	10.9
Q4	14.0	13.9	13.0	10.9	16.5	11.0
1986 Q1	14.1	14.1	13.1	10.9	17.0	11.1
Q2	14.2	14.1	13.2	11.0	17.5	11.2
Q3	14.2	13.9	13.4	11.0	17.8	11.2
Q4	13.9	13.5	13.6	10.8	17.9	11.0
1987 Q1	13.7	13.3	13.6	10.5	17.9	10.6
Q2	13.2	12.8	13.3	10.1	17.7	10.3
Q3	12.6†	12.3	12.8	9.6	17.5	9.8
Q4	12.0	11.7	12.3	9.0†	17.1	9.2
1988 Q1	11.8	11.2†	11.9	8.5	16.7†	8.7
Q2	11.1	10.8	11.4†	8.1	16.6	8.3
Q3	10.5	10.2	10.9	7.6	16.3	7.8
Q4	10.0	9.7	10.6	7.1	15.9	7.4

1 The seasonally adjusted figures now relate only to claimants aged 18 or over in order to maintain the consistent series, available back to 1971 (1974 for the regions), allowing for the effect of the change in benefit regulations for under 18 year olds from September 1988. (See page 660 of the December 1988 *Employment Gazette*. See also page 422 of the October 1986 edition for the list of previous discontinuities taken into account.) The denominators used to calculate unemployment rates are the sum of the appropriate mid-year estimates of employees in employment and the unemployed, the self-employed, HM Forces and participants in work-related government training programmes. Recent figures are based on mid-1987 estimates.

Source: Department of Employment

Regional unemployment rates



23 Average earnings

1985 = 100

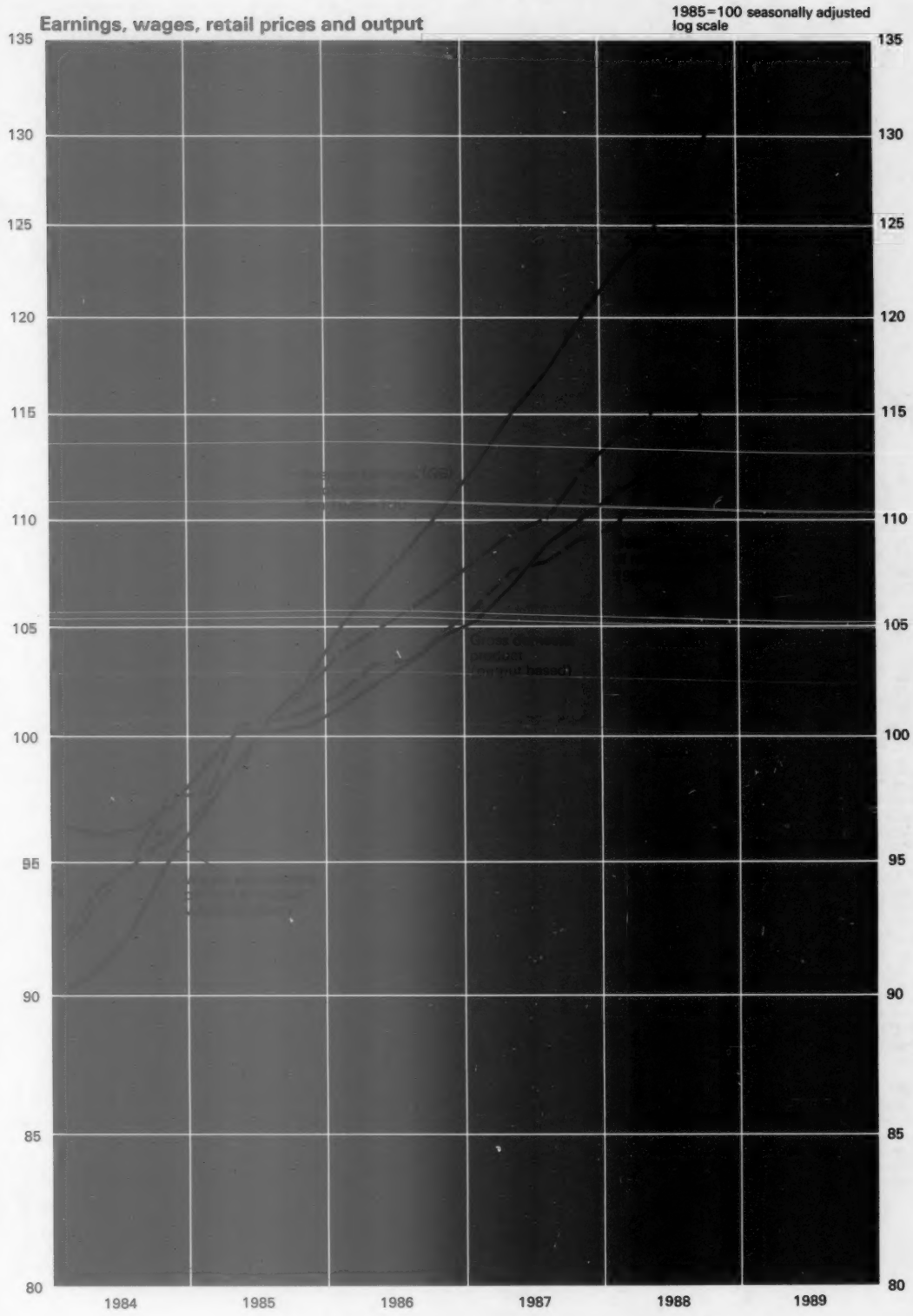
	Average earnings (GB)[1]									Wages and salaries per unit of output	
	Whole economy	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Production industries	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Manufacturing industry	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Whole economy[3]	Manufacturing industry
	DNAA	DNDZ		DNAE	DNED		DNAC	DNEH		DJDO	DMBG
1984	92.2	*6.0*		89.8	*5.8*		91.7	*8.6*		94.6	94.3
1985	100.0	*8.5*		100.0	*11.4*		100.0	*9.1*		100.0	100.0
1986	107.9	*7.9*		108.0	*8.0*		107.7	*7.7*		105.5	104.5
1987	116.3	*7.8*		116.7	*8.1*		116.3	*8.0*		110.1	106.1
1988	126.4	*8.7*		126.5	*8.4*		126.2	*8.5*		..	109.2
	DNAB	DNEA	DNEM	DNAF	DNEE	DNEN	DNAD	DNEI	DNEO		
1985 Q2	99.0	*8.9*	..	99.0	*12.6*	..	99.3	*10.0*	..	98.5†	98.3
Q3	101.1	*9.2*	..	101.3	*12.4*	..	100.9	*9.1*	..	101.2	101.1
Q4	102.5	*7.8*	..	103.1	*11.2*	..	102.8	*8.4*	..	102.4	103.9
1986 Q1	105.1	*8.7*	..	105.2	*10.2*	..	104.7	*7.8*	..	104.0	104.7
Q2	107.0	*8.1*	..	106.8	*7.9*	..	106.7	*7.5*	..	105.2	104.7
Q3	108.6	*7.4*	..	108.6	*7.2*	..	108.2	*7.2*	..	106.0	104.8
Q4	110.7	*8.0*	..	111.3	*8.0*	..	111.0	*8.0*	..	106.8	103.7
1987 Q1	112.7	*6.9*	..	113.2	*7.6*	..	112.8	*7.7*	..	107.8	105.9
Q2	115.1	*7.6*	..	115.2	*7.9*	..	114.9	*7.7*	..	109.4	104.8†
Q3	117.2	*7.9*	..	117.7	*8.4*	..	117.4	*8.5*	..	110.5	106.0
Q4	120.0	*8.4*	..	120.5	*8.3*	..	120.2	*8.3*	..	112.9	107.5
1988 Q1	122.6	*8.8*	..	121.8	*7.6*	..	122.0	*8.2*	..	115.2	108.6
Q2	124.6	*8.3*	..	125.6	*9.0*	..	125.0	*8.8*	..	117.0	109.8
Q3	127.0	*8.4*	..	127.5	*8.3*	..	127.0	*8.2*	..	118.6	108.0
Q4	131.5	*9.6*	..	131.0	*8.7*	..	130.6	*8.7*	..	..	110.3
1986 Jul	108.3	*8.1*	*7.50*	107.5	*6.8*	*8.00*	107.3	*6.9*	*7.75*	..	103.9†
Aug	108.8	*8.0*	*7.50*	108.8	*8.0*	*7.75*	108.3	*7.8*	*7.75*	..	106.3
Sep	108.8	*6.3*	*7.50*	109.5	*6.7*	*7.75*	109.0	*7.0*	*7.75*	..	104.2
Oct	109.9	*8.4*	*7.50*	110.3	*8.0*	*7.75*	110.0	*7.8*	*7.75*	..	103.7
Nov	110.9	*8.2*	*7.75*	111.3	*7.7*	*8.00*	110.9	*8.0*	*7.75*	..	103.6
Dec	111.2	*7.4*	*7.75*	112.4	*8.2*	*8.00*	112.1	*8.2*	*8.00*	..	103.8
1987 Jan	112.1	*7.6*	*7.50*	112.7	*7.6*	*7.75*	112.2	*7.7*	*7.75*	..	107.4
Feb	112.8	*7.5*	*7.50*	113.5	*7.9*	*8.00*	113.1	*8.1*	*8.00*	..	104.6
Mar	113.2	*6.6*	*7.50*	113.4	*7.4*	*8.00*	113.2	*7.6*	*8.00*	..	105.8
Apr	114.2	*6.3*	*7.75*	114.6	*7.2*	*8.00*	114.4	*6.9*	*8.00*	..	104.2
May	115.4	*8.7*	*7.75*	115.2	*8.3*	*8.00*	114.7	*8.2*	*8.00*	..	104.4
Jun	115.7	*7.7*	*7.75*	115.7	*8.0*	*8.25*	115.7	*7.9*	*8.25*	..	105.9
Jul	117.0	*8.0*	*7.75*	116.9	*8.7*	*8.25*	116.9	*8.9*	*8.25*	..	106.0
Aug	117.1	*7.6*	*7.75*	117.7	*8.2*	*8.25*	117.0	*8.0*	*8.50*	..	104.7
Sep	117.4	*7.9*	*7.75*	118.6	*8.3*	*8.25*	118.2	*8.4*	*8.50*	..	107.2
Oct	118.8	*8.1*	*8.00*	119.9	*8.7*	*8.25*	119.4	*8.5*	*8.25*	..	106.5
Nov	120.2	*8.4*	*8.25*	120.1	*7.9*	*8.25*	119.8	*8.0*	*8.25*	..	107.3
Dec	121.0	*8.8*	*8.50*	121.5	*8.1*	*8.25*	121.4	*8.3*	*8.25*	..	108.6
1988 Jan	121.8	*8.7*	*8.50*	121.7	*8.0*	*8.50*	121.7	*8.5*	*8.50*	..	107.6
Feb	122.0	*8.2*	*8.50*	120.7	*6.3*	*8.50*	121.1	*7.1*	*8.50*	..	108.9
Mar	124.0	*9.5*	*8.50*	123.1	*8.6*	*8.25*	123.2	*8.8*	*8.50*	..	109.2
Apr	124.4	*8.9*	*8.50*	125.6	*9.6*	*8.50*	125.2	*9.4*	*8.75*	..	110.7
May	124.2	*7.6*	*8.50*	126.0	*9.4*	*8.50*	124.9	*8.9*	*8.75*	..	109.5
Jun	125.1	*8.1*	*8.75*	125.3	*8.3*	*9.00*	125.0	*8.0*	*9.00*	..	109.1
Jul	126.9	*8.5*	*9.00*	127.0	*8.6*	*9.00*	126.6	*8.3*	*9.00*	..	108.1
Aug	126.6	*8.1*	*9.25*	127.2	*8.1*	*9.00*	126.7	*8.3*	*8.75*	..	107.9
Sep	127.6	*8.7*	*9.25*	128.3	*8.2*	*8.75*	127.6	*8.0*	*8.75*	..	108.0
Oct	129.5	*9.0*	*9.00*	130.1	*8.5*	*8.75*	129.2	*8.2*	*8.50*	..	109.4
Nov	130.7	*8.7*	*8.75*	130.4	*8.6*	*8.75*	130.2	*8.7*	*8.75*	..	109.7
Dec	134.3†	*11.0†*	*8.75*	132.5†	*9.1*	*9.00†*	132.4†	*9.1*	*9.00†*	..	111.7
1989 Jan	133.3	*9.4*	*9.00†*	133.2	*9.4†*	*9.00*	133.2	*9.4†*	*9.00*	..	111.5

1 The seasonal adjustment factors currently used are based on data up to January 1988.

2 Estimated to the nearest quarter of one percentage point. For the derivation of recent underlying changes see 'Employment Topics' item in *Employment Gazette*, March 1989.

3 The method for calculating whole economy unit wage costs is described in *Employment Gazette*, May 1986.

Sources: Department of Employment; Central Statistical Office


Earnings, wages, retail prices and output
1985=100 seasonally adjusted
log scale
135
130
125
120
115
110
105
100
95
90
85
80
1984
1985
1986
1987
1988
1989

24 Prices

1985 = 100

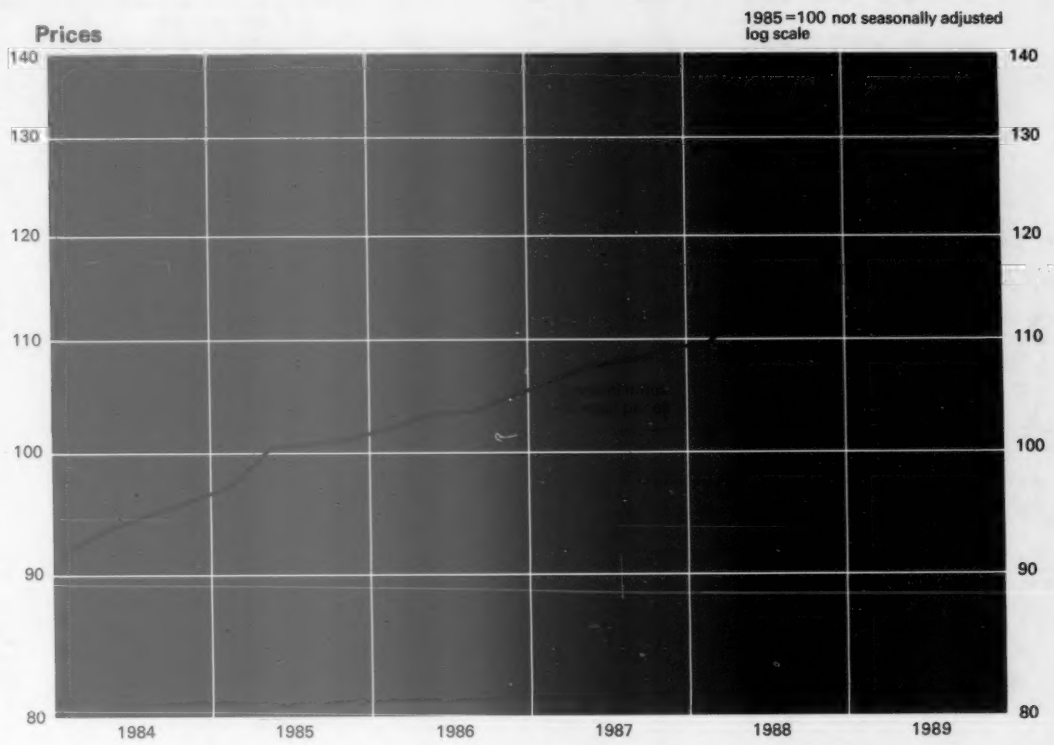
	Producer price index		General index of retail prices[1] (NSA)						Pensioner price index[2] (NSA)		
			All items				All items other than seasonal food				
	Materials and fuel purchased by manufacturing industry	Output: all manufactured products: home sales (NSA)	Index	Percentage increase on year earlier	Total food	Total non-food	Index	Percentage increase on year earlier	One-person household	Two-person household	Purchasing power of the pound[3] (NSA)
	DZDQ	DZCV	FRAG	FRAN	FRAH	FRAI	FRAK	FRAO	FRAL	FRAM	FJAK
1980	73.3	72.2	70.7	*18.0*	76.1	69.4	70.7	*18.4*	71.4	71.3	142
1981	80.2†	79.1	79.1	*11.9*	82.5	78.2	79.1	*11.9*	79.5	79.5	127
1982	85.9	85.2	85.9	*8.6*	89.0	85.1	85.8	*8.5*	86.9	86.7	117
1983	91.9	89.8	89.8	*4.6*	91.8	89.4	89.8	*4.7*	90.8	90.7	111
1984	99.0	95.0	94.3	*5.0*	97.0	93.6	94.1	*4.7*	95.4	95.3	106
1985	100.0	100.0	100.0	*6.1*	100.0	100.0	100.0	*6.3*	100.0	100.0	100
1986	92.4	104.3	103.4	*3.4*	103.3	103.5	103.3	*3.3*	103.2	103.2	97
1987	95.3	108.3	107.7	*4.2*	106.4	108.0	107.6	*4.1*	105.6	105.8	93
1988	98.4	113.2	113.0	*4.9*	110.1	113.6	112.9	*5.0*	109.5	109.8	88
1984 Q4	101.7	96.5	96.0	*4.8*	97.2	95.8	96.1	*5.2*	96.6	96.6	104
1985 Q1	103.1	98.2	97.2	*5.5*	99.0	96.8	97.2	*5.8*	98.1	98.1	103
Q2	101.8	99.9	100.6	*7.0*	100.9	100.5	100.4	*7.3*	100.4	100.4	99
Q3	98.6	100.5	100.8	*6.3*	99.8	101.1	101.0	*6.6*	100.3	100.3	99
Q4	96.4	101.4	101.3	*5.5*	100.4	101.6	101.4	*5.6*	101.2	101.2	99
1986 Q1	94.5	102.8	102.1	*4.9*	102.1	102.0	102.0	*5.0*	102.2	102.1	98
Q2	91.8	104.2	103.4	*2.8*	103.9	103.2	103.1	*2.7*	103.4	103.3	97
Q3	90.4	104.6	103.5	*2.6*	103.5	103.5	103.4	*2.4*	103.4	103.4	97
Q4	92.9	105.5	104.8	*3.4*	103.6	105.1	104.8	*3.3*	103.8	103.9	95
1987 Q1	93.9	106.9	106.1	*3.9*	105.8	106.2	105.9	*3.8*	104.7	104.8	94
Q2	94.8	108.0	107.7	*4.2*	107.2	107.8	107.4	*4.1*	105.7	105.9	93
Q3	96.5	108.6	107.9	*4.3*	105.8	108.4	107.9	*4.4*	105.4	105.7	93
Q4	95.9	109.8	109.1	*4.1*	107.1	109.6	109.1	*4.1*	106.5	106.9	92
1988 Q1	95.7	111.0	109.6	*3.5*	108.9	109.9	109.4	*3.3*	107.4	107.8	91
Q2	98.4	112.6	112.3	*4.3*	110.1	112.7	112.1	*4.4*	109.2	109.5	89
Q3	99.9	113.9	113.8	*5.5*	109.9	114.6	113.9	*5.5*	110.0	110.3	88
Q4	99.6	115.2	116.2	*6.5*	111.3	117.2	116.4	*6.6*	113.3	111.6	86
1987 Feb	93.9	106.9	106.1	*3.9*	106.0	106.3	105.9	*3.7*	..	..	94
Mar	94.2	107.2	106.4	*4.0*	106.0	106.5	106.2	*4.0*	..	..	94
Apr	94.6	107.7	107.6	*4.2*	106.9	107.7	107.3	*4.1*	..	..	93
May	94.3	108.1	107.7	*4.1*	107.6	107.7	107.4	*4.1*	..	..	93
Jun	95.6	108.2	107.7	*4.2*	106.9	107.9	107.5	*4.3*	..	..	93
Jul	96.6	108.4	107.6	*4.4*	105.7	108.1	107.6	*4.4*	..	..	93
Aug	96.7	108.6	107.9	*4.4*	106.0	108.4	107.9	*4.4*	..	..	93
Sep	96.3	108.9	108.3	*4.2*	105.7	108.8	108.3	*4.3*	..	..	92
Oct	96.5	109.6	108.8	*4.5*	106.4	109.3	108.9	*4.6*	..	..	92
Nov	95.6	109.8	109.3	*4.1*	106.9	109.9	109.4	*4.2*	..	..	91
Dec	95.6	110.0	109.2	*3.7*	107.8	109.5	109.1	*3.6*	..	..	92
1988 Jan	95.4	110.6	109.2	*3.3*	108.3	109.4	109.1	*3.3*	..	..	92
Feb	95.7	111.0	109.6	*3.3*	109.1	109.9	109.4	*3.3*	..	..	91
Mar	96.0	111.4	110.1	*3.5*	109.4	110.3	109.8	*3.4*	..	..	91
Apr	96.9	112.2	111.9	*3.9*	109.9	112.2	111.6	*4.0*	..	..	89
May	98.2	112.6	112.3	*4.2*	110.2	112.6	112.0	*4.3*	..	..	89
Jun	100.1	113.0	112.7	*4.6*	110.3	113.1	112.6	*4.7*	..	..	89
Jul	100.5	113.5	112.8	*4.8*	109.5	113.5	112.9	*4.9*	..	..	89
Aug	99.8	113.9	114.1	*5.7*	109.9	114.8	114.1	*5.8*	..	..	88
Sep	99.3	114.3	114.6	*5.9*	110.3	115.5	114.8	*5.9*	..	..	87
Oct	99.0	114.9	115.8	*6.4*	110.4	116.9	115.9	*6.5*	..	..	86
Nov	99.7	115.2	116.3	*6.4*	111.3	117.4	116.5	*6.5*	..	..	86
Dec	100.3†	115.4	116.6	*6.8*	112.1	117.5	116.7	*7.0*	..	..	86
1989 Jan	101.0	116.5	117.4	*7.5*	113.1	118.2	117.4	*7.6*	..	..	85
Feb	100.8	116.8†	118.2†	*7.8*†	113.4†	119.1†	118.1†	*8.0*†	..	..	85†

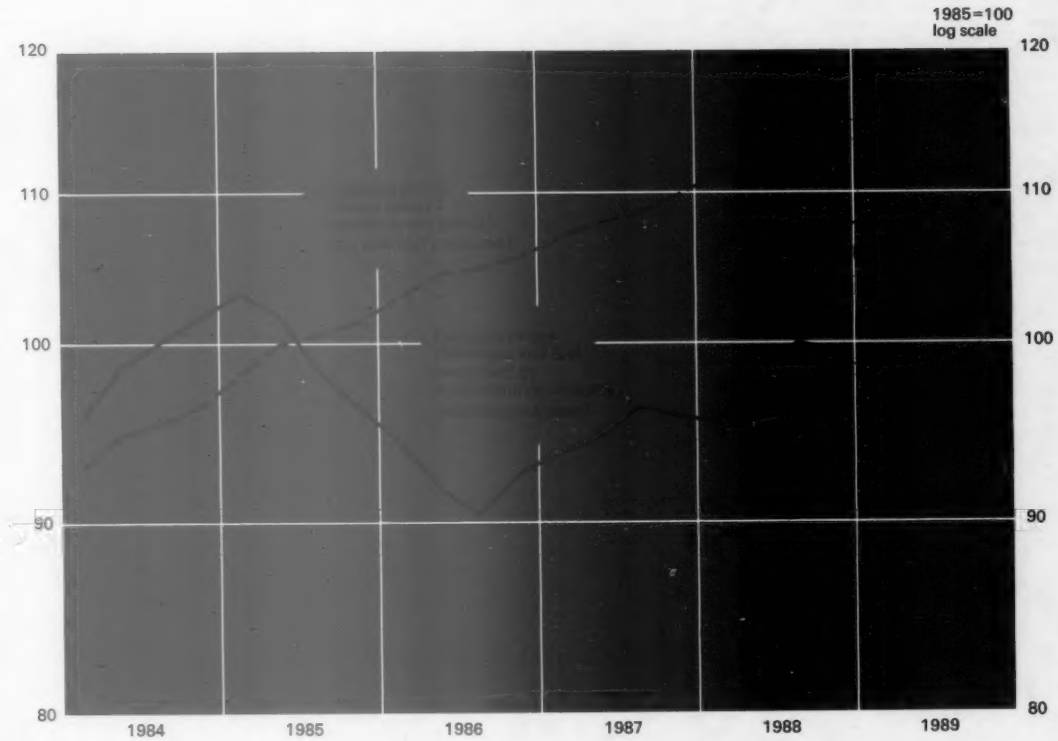
1 The index numbers given here are for comparative purposes only and should not be regarded as accurate to the last digit shown. The official Retail Prices Index series is shown in Table 1.

2 All items except housing.

3 Movements in the purchasing power of the pound are based on movements in the General index of retail prices.

Sources: Department of Trade and Industry; Department of Employment; Central Statistical Office


Prices
1985=100 not seasonally adjusted
log scale
140
130
120
110
100
90
80
1984
1985
1986
1987
1988
1989


1985=100
log scale
120
110
100
90
80
1984
1985
1986
1987
1988
1989

25 Visible trade (on a balance of payments basis)

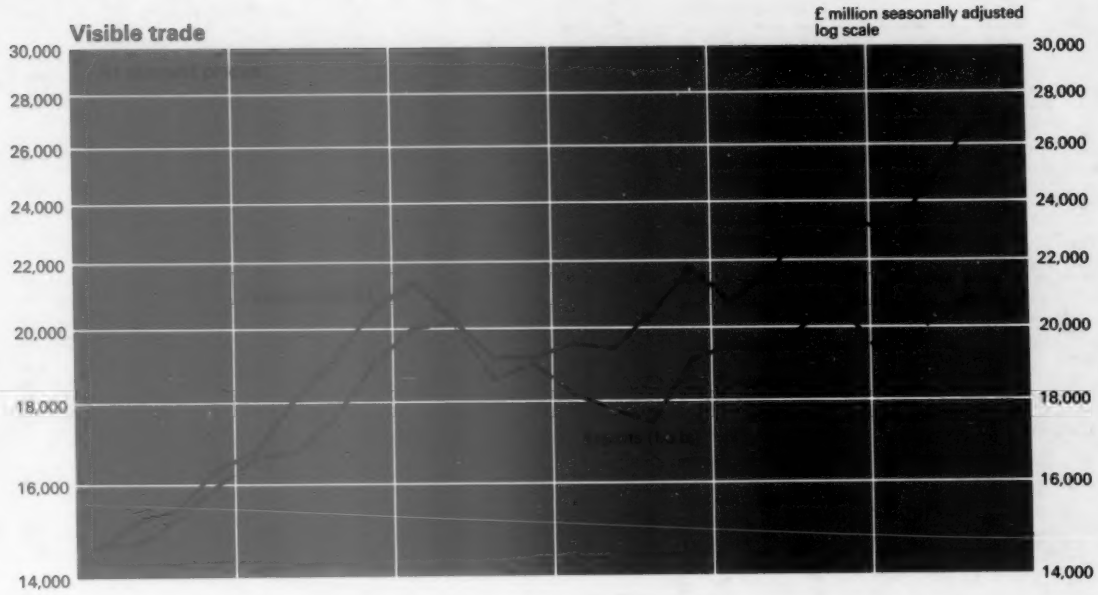
1985 = 100

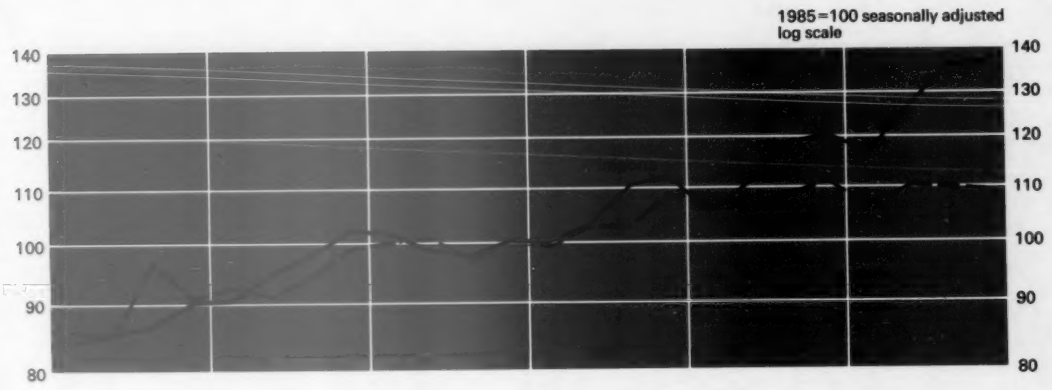
	Volume indices		Unit value indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade[1]
	CGTR	CGTS	CGTO	CGTP	CGTQ
1981	83.3	75.9	76.2	74.2	102.7
1982	85.6	80.1	81.4	80.2	101.5
1983	87.6	87.0	88.0	87.8	100.2
1984	94.7	96.9	95.0	95.5	99.5†
1985	100.0	100.0	100.0	100.0	100.0
1986	103.6	106.9†	91.8	96.0	95.6
1987	109.0	114.4	95.5	98.5	97.0
1988	108.4†	129.0	97.1	98.8†	98.3
1986 Q1	99.0†	102.7†	95.3	97.2	98.0†
Q2	104.5	104.7	90.2	94.5	95.4
Q3	103.8	109.3	89.4	94.0	95.1
Q4	106.9	110.8	92.3	98.1	94.1
1987 Q1	108.8	108.4	94.7	100.0	94.7
Q2	107.4	111.9	95.2	97.5	97.6
Q3	109.8	117.7	96.2	98.2	98.0
Q4	110.0	119.5	95.8	98.2	97.6
1988 Q1	106.2	119.8	95.4	98.1†	97.2
Q2	111.4	127.7	96.5	97.7	98.8
Q3	109.3	133.7	98.6	99.2	99.4
Q4	106.6	135.0	98.0	100.0	98.0
1986 Mar	94.4†	107.0†	93.4	97.9	95.4
Apr	104.7	101.6	90.7	95.6	94.9
May	104.4	105.6	89.7	94.2†	95.3
Jun	104.4	106.9	90.3	93.8	96.2
Jul	107.2	108.5	88.8	93.3	95.1†
Aug	99.0	110.7	89.2	93.6	95.3
Sep	105.2	108.6	90.2	95.2	94.7
Oct	106.4	111.5	92.1	97.2	94.8
Nov	107.4	112.1	92.2	98.0	94.1
Dec	107.0	109.1	92.6	99.1	93.4
1987 Jan	105.7	107.3	94.2	99.8	94.4
Feb	113.5	111.1	94.8†	100.2	94.7
Mar	107.1	106.9	95.0	100.1	95.0
Apr	109.3	110.2	95.1	98.3	96.8
May	105.5	114.2	94.9	97.1	97.7
Jun	107.3	111.3	95.4	97.1	98.3
Jul	109.8	115.0	95.3	97.8	97.4
Aug	108.8	121.6	96.7	98.4	98.2
Sep	110.9	116.5	96.5	98.4	98.1
Oct	109.3	118.1	96.5	98.2	98.3
Nov	110.9	120.4	95.9	98.5	97.3
Dec	109.8	120.1	95.0	97.8	97.2
1988 Jan	106.6	120.9	95.0	97.7	97.2
Feb	104.3	120.3	95.5	98.1	97.4
Mar	107.9	118.2	95.7	98.6	97.0
Apr	110.7	126.0	96.6	98.2	98.4
May	109.2	127.2	96.5	97.5	98.9
Jun	114.3	130.0	96.5	97.5	99.0
Jul	107.0	141.5	97.8	99.0	98.8
Aug	106.8	127.6	99.3	99.2	100.0
Sep	114.1	131.9	98.6	99.5	99.1
Oct	103.7	139.6	98.0	100.2	97.8
Nov	107.1	131.5	97.6	100.0	97.6
Dec	109.1	133.8	98.6	99.8	98.7
1989 Jan	114.5	146.1	100.3	100.0	100.3
Feb	104.8	138.9	101.0	101.0	100.0

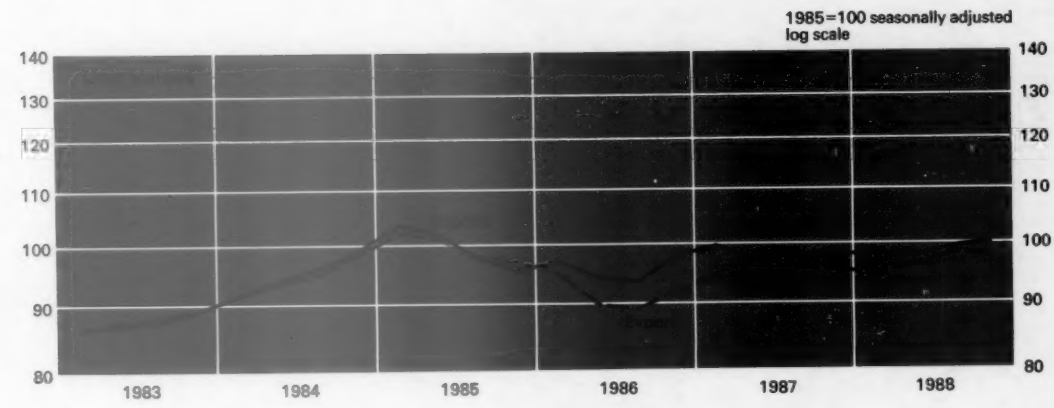
1 Unit value index for exports expressed as a percentage of unit value index for imports.

Source: Department of Trade and Industry

Visible trade







26 Measures of UK competitiveness in trade in manufactures

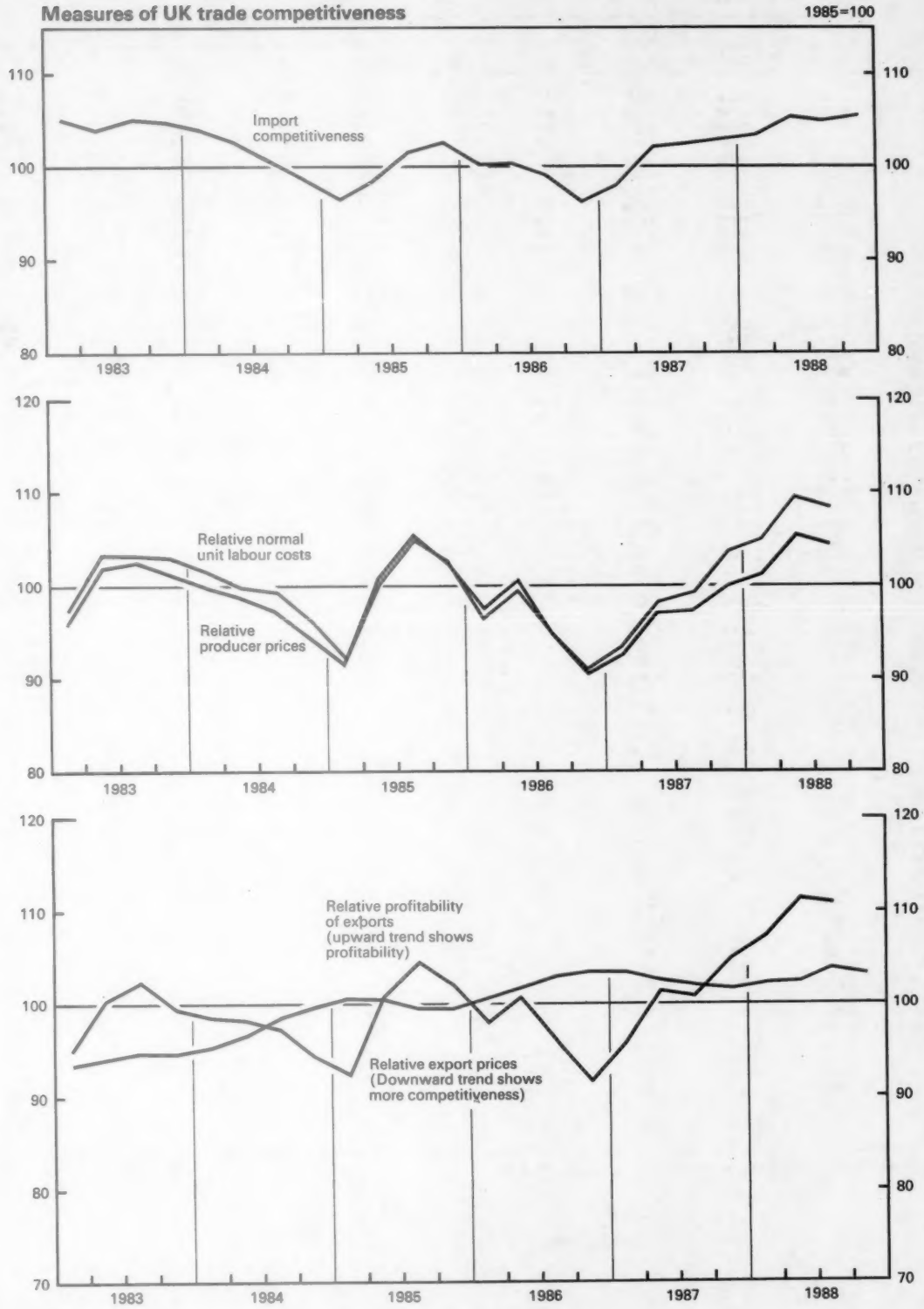
1985 = 100

	Summary measures						Export unit value index[2]				
	Relative export prices[1]	Relative producer prices[1]	IMF index of relative unit labour costs[2]		Import price competitiveness[3]	Relative profitability of exports[3]	United Kingdom	United States	Japan	France	Federal Republic of Germany
			Actual	Normalised							
	FLAA	FLAB	FLAC	FLAD	FLAE	FLAF	FLAG	FLAH	FLAI	FLAJ	FLAK
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100	100
1986	96.5	95.8	93.8	95.4	99.2	102.2	117.2	103	121	125	133
1987	100.8	96.6	93.1	98.5	101.5	102.3	136.8	105	131	136	156
1988	..	..	..	..	105.0†	102.9	155.9	..	..	..	..
1986 Q4	91.6	90.4	86.4	91.0	96.5	103.4	116.5	105	124	131	142
1987 Q1	95.9	92.5	89.1	93.4	98.3	103.3	127.4	104	126	133	154
Q2	101.3	97.0	93.1	97.9	102.1	102.4	136.7	105	131	136	154
Q3	100.9	97.2	92.9	99.1	102.5	101.8	135.3	107	132	134	153
Q4	104.9	99.8	97.4	103.4	103.2	101.6	147.7	105	137	142	163
1988 Q1	107.1	101.0	100.1	104.9	103.9†	102.1	153.6	106	144	147	162
Q2	111.3	105.4	102.1	109.6	105.5	102.3	159.9	110	146	146	162
Q3	110.9	104.3	100.9	108.2	105.2	103.9	150.6	114	138	134	151
Q4	..	..	..	..	105.5	103.2	159.6	..	..	..	..
Percentage change, quarter on corresponding quarter of previous year											
1986 Q4	*-10.2*	*-11.7*	*-16.3*	*-11.4*	*-6.1*	*4.1*	*5.4*	*5.0*	*14.8*	*18.0*	*25.7*
1987 Q1	*-2.1*	*-5.0*	*-8.5*	*-3.3*	*-2.2*	*2.7*	*12.3*	*3.0*	*10.5*	*10.8*	*24.2*
Q2	*0.6*	*-3.7*	*-5.8*	*-1.6*	*1.5*	*0.5*	*14.3*	*2.9*	*8.3*	*12.4*	*20.3*
Q3	*5.1*	*2.6*	*0.5*	*4.5*	*3.2*	*-1.0*	*13.3*	*2.9*	*6.5*	*3.9*	*11.7*
Q4	*14.5*	*10.4*	*12.7*	*13.6*	*6.9*	*-1.7*	*26.8*	*-*	*10.5*	*8.4*	*14.8*
1988 Q1	*11.7*	*9.2*	*12.3*	*12.3*	*5.7*	*-1.2*	*20.6*	*1.9*	*14.3*	*10.5*	*5.2*
Q2	*9.9*	*8.7*	*9.7*	*12.0*	*3.3*	*-0.1*	*17.0*	*4.8*	*11.5*	*7.4*	*5.2*
Q3	*9.9*	*7.3*	*8.6*	*9.2*	*2.6*	*2.1*	*11.3*	*6.5*	*4.5*	*-*	*-1.3*
Q4	..	..	..	..	*2.2*	*1.6*	*8.1*	..	..	..	..

	Producer price index[2]					Unit labour costs index[2]				
	United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom[4]	United States	Japan	France	Federal Republic of Germany
	FLAL	FLAM	FLAN	FLAO	FLAP	FLAQ	FLAR	FLAS	FLAT	FLAU
1985	100.0	100.0	100.0	100.0	100.0	100	100	100	100	100
1986	118.1	97.8	131.1	129.9	131.6	118	100	146†	131	140
1987	137.1	100.4	147.4	152.6	154.7	134†	99†	165	152	174†
1988	..	..	..	..	..	150	100	..	..	..
1987 Q1	127.2	98.7	139.1	148.4	150.9	126	100	160†	151	170†
Q2	136.9	100.0	148.3	152.0	153.3	132	99†	169	152	172
Q3	135.5	101.0	145.3	150.0	151.1	132†	99	161	149	170
Q4	148.6	101.8	156.9	159.9	163.5	145	99	170	158	184
1988 Q1	153.9	102.8	164.6	162.3	166.4	150	99	177	156	187
Q2	160.4	103.8	167.1	160.8	164.3	156	100	182	154	183
Q3	148.7	104.7	158.4	147.6	151.1	141	99	170	140	166
Q4	..	..	..	..	..	152	100	..	..	..
Percentage change, quarter on corresponding quarter of previous year										
1987 Q1	*11.5*	*-0.2*	*15.1*	*19.7*	*22.1*	*8.6*	*-*	*24.0*	*18.9*	*33.9*
Q2	*12.7*	*2.6*	*13.7*	*20.9*	*20.2*	*8.2*	*-1.0*	*18.2*	*20.6*	*28.4*
Q3	*12.5*	*3.9*	*4.2*	*13.1*	*11.0*	*10.0*	*-1.0*	*1.9*	*11.2*	*16.4*
Q4	*27.7*	*4.3*	*17.2*	*16.5*	*17.7*	*27.2*	*-1.0*	*9.7*	*13.7*	*18.7*
1988 Q1	*21.0*	*4.2*	*18.3*	*9.4*	*10.3*	*19.0*	*-1.0*	*10.6*	*3.3*	*10.0*
Q2	*17.2*	*3.8*	*12.7*	*5.8*	*7.2*	*18.2*	*1.0*	*7.7*	*1.3*	*6.4*
Q3	*9.7*	*3.7*	*9.0*	*-1.6*	*-*	*6.8*	*-*	*5.6*	*-6.0*	*-2.4*
Q4	..	..	..	..	..	*4.8*	*1.0*	..	..	..

1 Figures are base weighted using 1985 export data. Downwards movements indicate greater competitiveness.
2 All the indices are in terms of US dollars.
3 Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
4 The method for calculating whole economy unit wage costs is described in *Employment Gazette*, May 1986.

Sources: Department of Trade and Industry; Department of Employment; International Monetary Fund


Measures of UK trade competitiveness
1985=100
Import competitiveness
Relative normal unit labour costs
Relative producer prices
Relative profitability of exports (upward trend shows profitability)
Relative export prices (Downward trend shows more competitiveness)
1983
1984
1985
1986
1987
1988

27 Balance of payments: current account

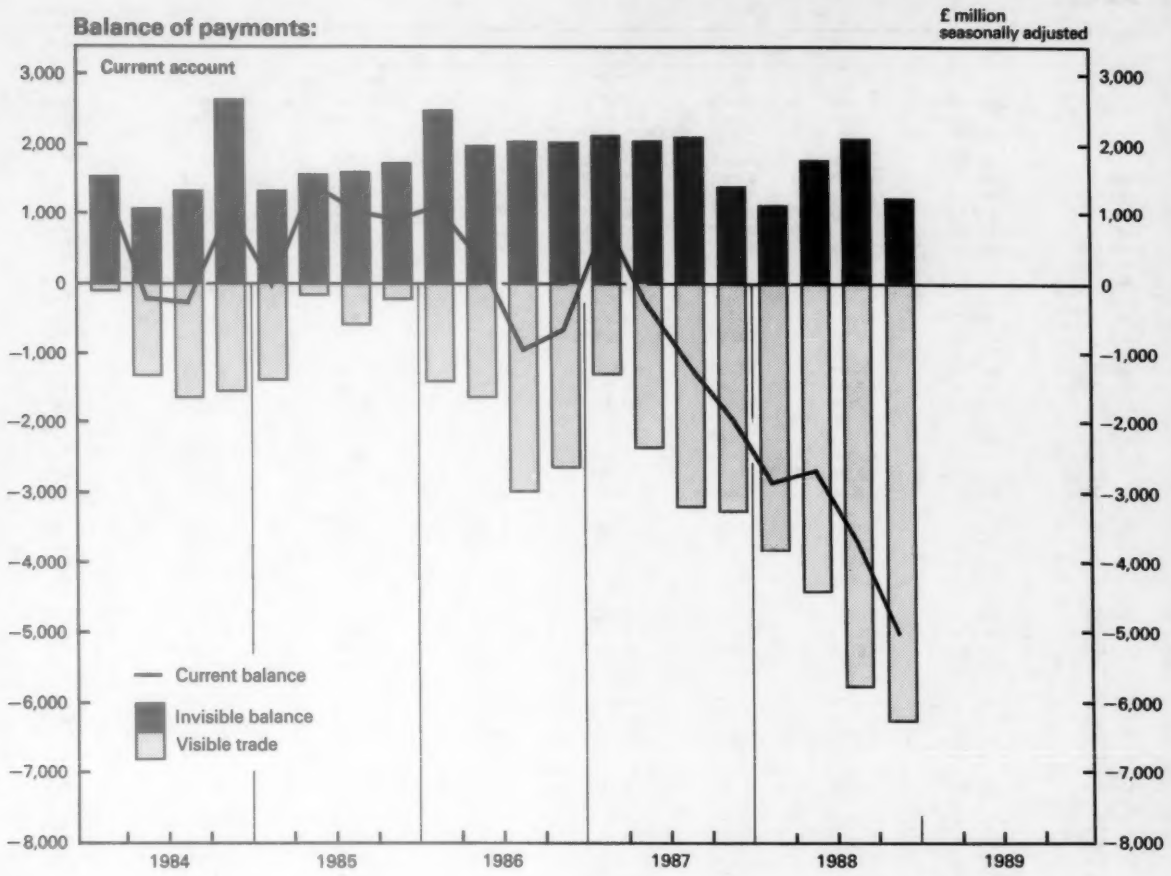
£ million

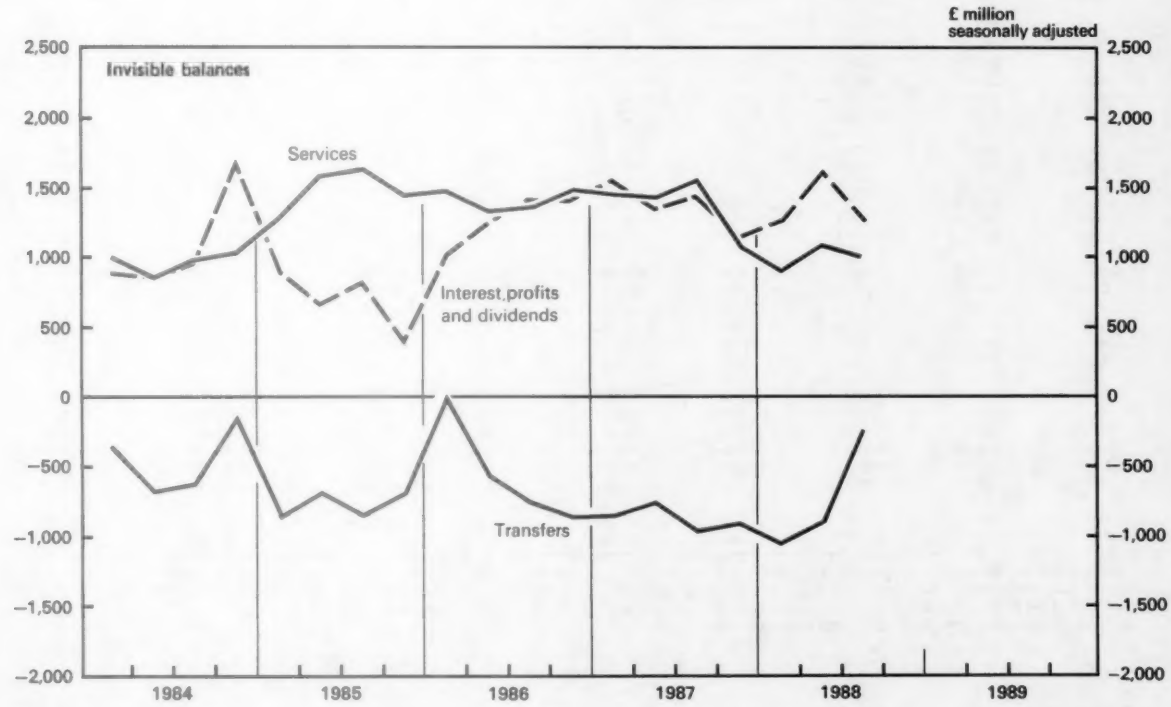
	Visible trade			Invisibles						
						Balances				
	Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Services	IPD	Transfers	Total[1]	Current balance
	CGKG	CGHK	AIMA	CGKR	CGHT	AIMC	AIMD	AIME	AIMB	AIMF
1978	34 981	36 574	-1 593	24 895	22 338	3 542	806	-1 791	2 557	964
1979	40 470	43 868	-3 398	33 339	30 437	3 907	1 205	-2 210	2 902	-496
1980	47 147	45 794	1 353	41 362	39 593	3 949	-196	-1 984	1 769	3 122
1981	50 668	47 318	3 350	57 347	53 781	3 923	1 210	-1 547	3 586	6 936
1982	55 330	53 112	2 218	65 483	63 016	2 762	1 446	-1 741	2 467	4 685
1983	60 698	61 773	-1 075	66 058†	61 090	3 721	2 847	-1 600†	4 968†	3 893†
1984	70 263	74 843	-4 580	77 818	71 161†	3 942†	4 432†	-1 717	6 657	2 077
1985	77 988	80 334	-2 346	80 722	75 021	5 962	2 747	-3 008	5 701	3 355
1986	72 656†	81 356†	-8 702†	77 457	68 606	5 631	5 356	-2 136	8 851	149
1987	79 421	89 594	-10 173	80 463	73 195	5 333	5 387	-3 452	7 268	-2 905
1988	80 157	100 714	-20 557	86 521	80 629	3 473	6 001	-3 582	5 892	-14 665
1984 Q1	16 580†	16 867†	-287†	17 739†	16 114†	1 036†	895†	-306†	1 625†	1 338†
Q2	17 010	18 205	-1 195	18 107	17 012	869	871	-645	1 095	-100
Q3	17 863	19 199	-1 336	19 964	18 627	1 005	965	-633	1 337	1
Q4	18 810	20 572	-1 762	22 008	19 408	1 032	1 701	-133	2 600	838
1985 Q1	19 871	21 618	-1 747	21 648	20 243	1 305	907	-807	1 405	-342
Q2	20 486	20 438	48	20 516	18 926	1 568	665	-643	1 590	1 638
Q3	18 897	19 184	-287	19 630	18 053	1 643	800	-866	1 577	1 290
Q4	18 734	19 094	-360	18 928	17 799	1 446	375	-692	1 129	769
1986 Q1	18 129	19 787	-1 658	19 236	16 606	1 513	1 053	64	2 630	972
Q2	18 006	19 670	-1 664	18 864	16 803	1 311	1 281	-531	2 061	397
Q3	17 637	20 417	-2 780	19 415	17 382	1 336	1 505	-808	2 033	-747
Q4	18 884	21 482	-2 600	19 942	17 815	1 471	1 517	-861	2 127	-473
1987 Q1	19 608	21 075	-1 467	19 943	17 771	1 445	1 512	-785	2 172	705
Q2	19 565	21 967	-2 402	20 243	18 286	1 385	1 326	-754	1 957	-445
Q3	20 339	23 320	-2 981	20 493	18 619	1 473	1 401	-1 000	1 874	-1 107
Q4	19 909	23 232	-3 323	19 784	18 519	1 030	1 148	-913	1 265	-2 058
1988 Q1	19 042	23 063	-4 020	20 327	19 308	839	1 183	-1 003	1 019	-3 001
Q2	20 224	24 762	-4 538	21 246	19 452	972	1 729	-907	1 794	-2 744
Q3	20 718	26 414	-5 696	22 423	20 165	973	1 518	-233	2 258	-3 438
Q4	20 171	26 475	-6 304	22 525	21 704	689	1 571	-1 439	821	-5 483
1987 Feb	6 848†	7 163†	-315†	..	..	..	..	..	724†	409†
Mar	6 469	6 965	-495	..	..	..	..	..	724	229
Apr	6 520	7 158	-638	..	..	..	..	..	652	14
May	6 457	7 530	-1 073	..	..	..	..	..	653	-420
Jun	6 588	7 279	-692	..	..	..	..	..	652	-40
Jul	6 746	7 611	-865	..	..	..	..	..	625	-240
Aug	6 733	8 055	-1 322	..	..	..	..	..	624	-698
Sep	6 861	7 655	-794	..	..	..	..	..	625	-169
Oct	6 717	7 644	-927	..	..	..	..	..	422	-505
Nov	6 702	7 835	-1 133	..	..	..	..	..	421	-712
Dec	6 488	7 752	-1 263	..	..	..	..	..	422	-841
1988 Jan	6 371	7 823	-1 453	..	..	..	..	..	340	-1 113
Feb	6 207	7 714	-1 507	..	..	..	..	..	339	-1 168
Mar	6 465	7 525	-1 060	..	..	..	..	..	340	-720
Apr	6 733	8 146	-1 413	..	..	..	..	..	598	-815
May	6 592	8 219	-1 627	..	..	..	..	..	598	-1 029
Jun	6 898	8 396	-1 499	..	..	..	..	..	598	-901
Jul	6 721	9 287	-2 566	..	..	..	..	..	753	-1 813
Aug	6 784	8 441	-1 657	..	..	..	..	..	752	-905
Sep	7 213	8 687	-1 473	..	..	..	..	..	753	-720
Oct	6 567	9 223	-2 656	..	..	..	..	..	274	-2 382
Nov	6 702	8 588	-1 885	..	..	..	..	..	273	-1 612
Dec	6 902	8 665	-1 763	..	..	..	..	..	274	-1 489
1989 Jan	7 373	9 471	-2 099	..	..	..	..	..	500	-1 599
Feb	6 829	9 025	-2 196	..	..	..	..	..	500	-1 696

1 Monthly data is one third of the appropriate calendar quarter's estimate or projection.

Source: Central Statistical Office

Balance of payments:





28 Sterling exchange rates and UK official reserves

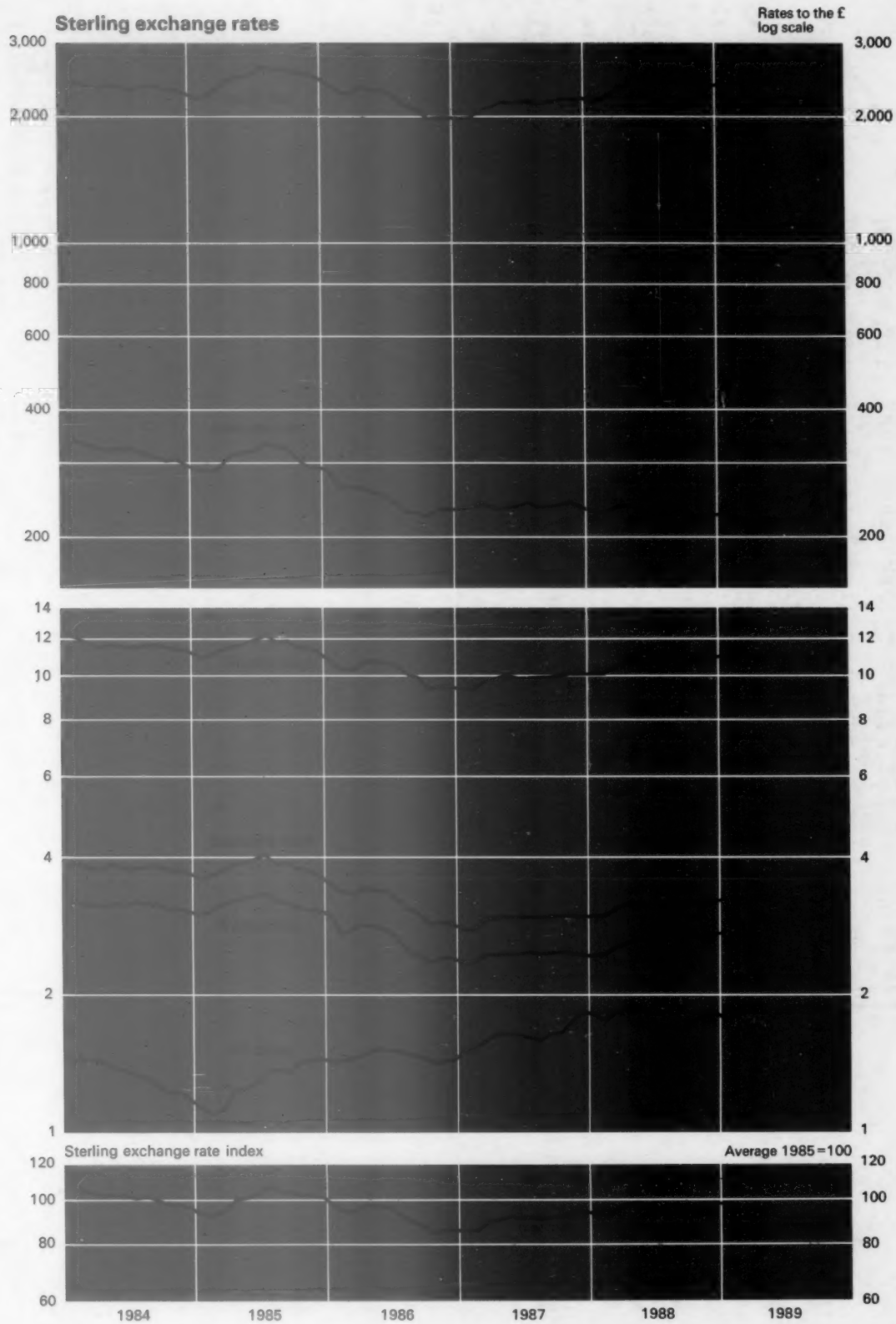
Not seasonally adjusted

	Sterling exchange rate against major currencies[1]						UK official reserves[2] at end of period ($ million)	Sterling exchange rate index (average 1985=100)
	Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark		
	AJFO	AJFA	AJFD	AJFE	AJFF	AJFH	AIPI	AJHV
1980	525.56†	2.3281	3.8956†	9.8252†	1 992	4.227	27 476	117.7
1981	444.57	2.0254	3.9691	10.9353	2 287	4.556	23 347	119.0
1982	435.21	1.7489	3.5481	11.4851	2 364	4.243	16 997	113.7
1983	359.89	1.5158	3.1820	11.5469	2 302	3.870	17 817	105.3
1984	316.80	1.3364	3.1291	11.6365	2 339	3.791	15 694	100.6
1985	307.08	1.2976	3.1550	11.5495	2 483	3.784	15 543	100.0
1986	246.80	1.4672	2.6350	10.1569	2 186	3.183	21 923	91.5
1987	236.50	1.6392	2.4394	9.8369	2 123	2.941	44 326	90.1
1988	227.98	1.7796	2.6030	10.5969	2 315	3.124	51 685	95.5
1984 Q2	320.71†	1.3960	3.1359	11.6301†	2 339	3.784	15 505	101.7
Q3	316.16	1.2993	3.1686†	11.6207	2 333	3.786	15 260	99.9
Q4	299.42	1.2178	3.0609	11.3929	2 300	3.717	15 694	96.6
1985 Q1	287.14	1.1155	3.0684	11.0924	2 254	3.628	13 528	92.9
Q2	315.17	1.2577	3.2554	11.8272	2 475	3.878	14 318	101.0
Q3	328.10	1.3758	3.2339	11.9532	2 603	3.920	14 176	104.6
Q4	297.64	1.4356	3.0644	11.3248	2 514	3.711	15 543	101.4
1986 Q1	270.79	1.4391	2.8488	10.3829	2 303	3.382	18 750	95.0
Q2	256.40	1.5090	2.8132	10.7712	2 322	3.386	19 188	96.1
Q3	232.27	1.4891	2.5146	10.1009	2 140	3.109	22 426	90.2
Q4	229.22	1.4304	2.3783	9.3934	1 986	2.868	21 923	85.1
1987 Q1	236.20	1.5431	2.3848	9.4501	2 015	2.837	27 039	86.7
Q2	234.14	1.6410	2.4484	9.8908	2 134	2.964	34 364	90.4
Q3	237.82	1.6184	2.4670	9.9197	2 152	2.974	34 808	90.5
Q4	237.69	1.7535	2.4565	10.0821	2 188	2.989	44 326	92.7
1988 Q1	230.03	1.7972	2.4733	10.1923	2 221	3.013	47 519	93.5
Q2	231.18	1.8390	2.6114	10.6374	2 334	3.142	48 519	96.6
Q3	226.76	1.6951	2.6525	10.7159	2 349	3.165	50 482	95.2
Q4	224.05	1.7915	2.6755	10.8460	2 358	3.175	51 685	96.7
1986 Jun	252.78	1.5089	2.7751	10.7400	2 312	3.369	19 188	95.8
Jul	239.39	1.5080	2.6326	10.4549	2 229	3.248	19 083	93.1
Aug	229.18	1.4867	2.4701	9.9893	2 111	3.066	18 924	89.3
Sep	227.65	1.4716	2.4316	9.8324	2 073	3.003	22 426	88.0
Oct	223.15	1.4276	2.3437	9.3628	1 980	2.861	21 992	84.6
Nov	232.01†	1.4253	2.4004	9.4327	1 996	2.884	22 006	85.5
Dec	233.22	1.4383	2.3950	9.3896	1 984	2.860	21 923	85.3
1987 Jan	232.94	1.5071	2.3482	9.3283	1 982	2.797	21 952	85.4
Feb	234.25	1.5271	2.3513	9.2774	1 981	2.785	22 257	85.4
Mar	241.07	1.5919	2.4502	9.7233	2 078	2.921	27 039	89.2
Apr	232.87	1.6299	2.4375	9.8295	2 106	2.952	29 807	89.9
May	234.13	1.6661	2.4507	9.9559	2 152	2.980	34 679	91.1
Jun	235.31	1.6293	2.4563	9.8904	2 143	2.962	34 364	90.3
Jul	241.83	1.6099	2.4719	9.9002	2 153	2.974	34 915	90.5
Aug	235.70	1.5975	2.4575	9.9034	2 149	2.967	34 365	90.0
Sep	235.56	1.6462	2.4703	9.9548	2 155	2.981	34 808	90.9
Oct	238.05	1.6621	2.4825	9.9964	2 164	2.992	41 399	91.4
Nov	240.34	1.7754	2.4531	10.1314	2 200	2.986	41 281	93.2
Dec	234.67	1.8273	2.4325	10.1226	2 201	2.987	44 326	93.6
1988 Jan	229.90	1.7981	2.4241	10.0461	2 189	2.977	43 093	92.8
Feb	226.97	1.7578	2.4462	10.0760	2 196	2.982	42 927	92.2
Mar	232.94	1.8324	2.5407	10.4256	2 272	3.072	47 519	95.3
Apr	234.43	1.8765	2.5967	10.6503	2 329	3.137	47 857	97.2
May	233.21	1.8694	2.6378	10.7196	2 353	3.166	48 533	97.6
Jun	226.52	1.7790	2.6001	10.5517	2 320	3.123	48 519	95.3
Jul	226.87	1.7042	2.6126	10.5953	2 328	3.144	49 826	94.7
Aug	227.09	1.6983	2.6895	10.8558	2 373	3.207	50 639	96.1
Sep	226.31	1.6833	2.6536	10.6910	2 344	3.143	50 482	94.8
Oct	223.87	1.7382	2.6744	10.7879	2 354	3.160	50 048	95.7
Nov	222.71	1.8090	2.6532	10.8030	2 350	3.162	51 040	96.6
Dec	225.71	1.8282	2.7013	10.9541	2 365	3.207	51 685	97.7
1989 Jan	225.78	1.7748	2.7695	11.0940	2 386	3.256	51 705	97.9
Feb	223.89	1.7541†	2.7614†	11.0494†	2 376†	3.245†	51 683†	97.4†

1 Average of daily Telegraphic Transfer rates in London.

2 Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. Since end-March 1979 these rates have been revised annually. These valuation changes are described in detail in the description of Table 10.3 in the *Financial Statistics Explanatory Handbook*, where the values of the annual changes are also shown.

Sources: Bank of England; HM Treasury


Sterling exchange rates
Rates to the £
log scale
3,000
2,000
1,000
800
600
400
200
14
12
10
8
6
4
2
1
Sterling exchange rate index
Average 1985=100
120
100
80
60
1984
1985
1986
1987
1988
1989

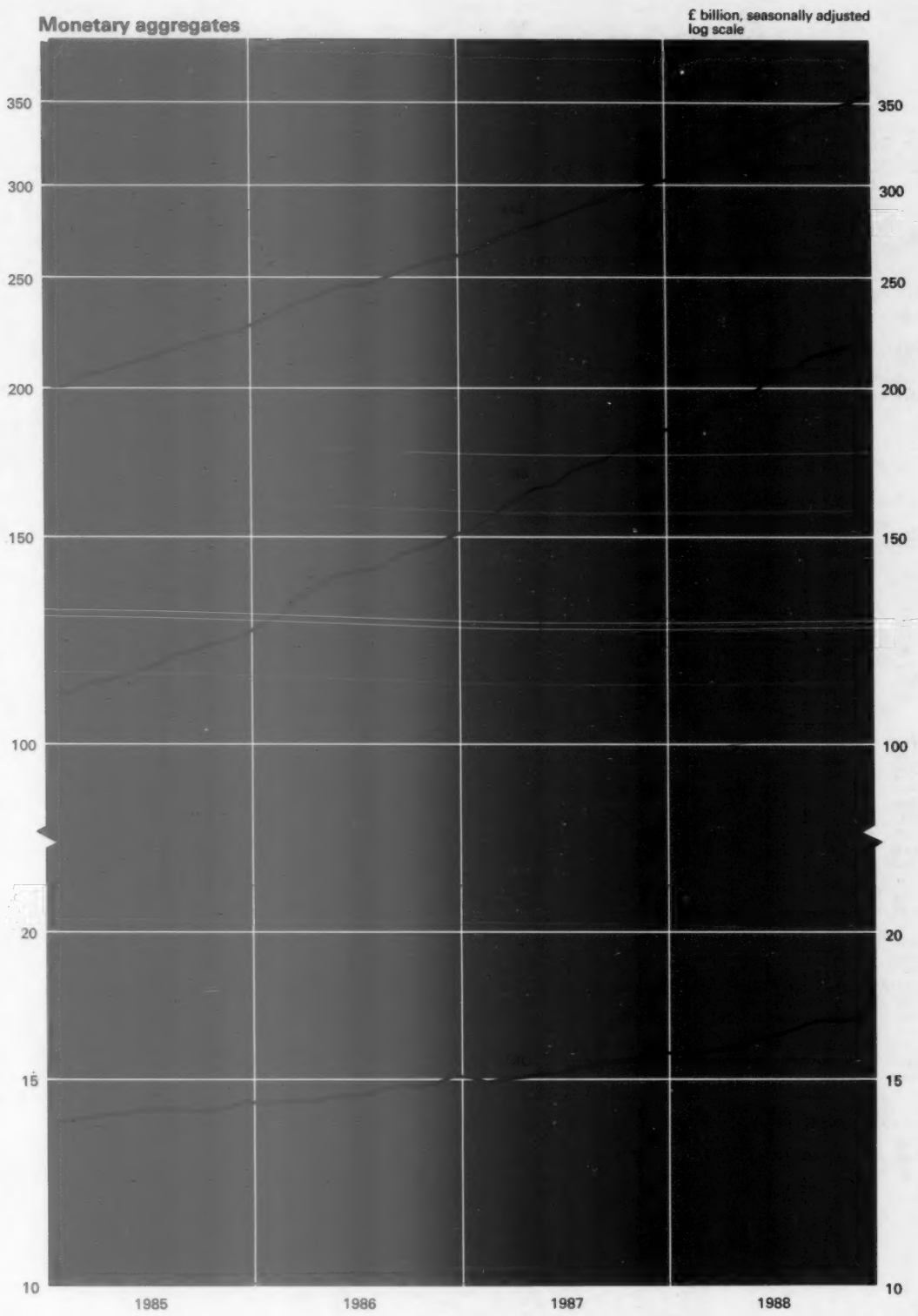
29 Monetary aggregates[1]

	M0				M3				M4			
	Amount outstanding[2] (NSA)				Amount outstanding (NSA)				Amount outstanding (NSA)			
	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio
	AVAD	AVAK	AVAE	AVAM	AGAJ	AUZO	AGBC	AGBY	AUYM	AUZP	AUYN	AUYU
1985	14 095	*4.6*	14 095	25.18	126 974	*13.4*	124 918	3.03	225 291	*13.0*	225 205	1.67
1986	14 665	*4.0*	14 663	25.92	151 150†	*18.2*	150 607†	2.74	261 193†	*15.4*	261 380†	1.55
1987	15 338	*4.6*	15 354	27.11	185 624	*22.9*	184 698	2.49	303 834	*16.3*	304 214	1.48
1988	16 402	*6.9*	16 399	..	223 759	*20.4*†	223 026	..	357 271	*17.5*†	357 784	..
1984 Q4	13 962	*5.6*	13 789	24.26	111 956	*9.7*	110 130	3.08	199 396	*13.3*	198 902	1.70
1985 Q1	13 704	*5.4*	13 886	24.76	114 078	*11.5*	113 778	3.08	205 672	*13.8*	205 844	1.70
Q2	14 040	*5.4*	14 070	25.00	118 017	*11.4*	116 506	3.06	212 214	*12.8*	211 302	1.69
Q3	14 212	*4.4*	14 162	25.33	122 955	*13.7*	120 971	3.02	218 442	*13.4*	218 246	1.67
Q4	14 425	*3.3*	14 260	25.61	126 974	*13.4*	124 918	2.96	225 291	*13.0*	225 205	1.64
1986 Q1	14 255	*4.0*	14 404	25.77	133 378	*16.7*	132 797	2.89	235 823	*14.5*	235 997	1.61
Q2	14 464	*3.0*	14 521	25.88	140 325	*18.7*	139 461	2.75	245 851	*15.7*	245 363	1.56
Q3	14 782	*4.0*	14 729	25.88	146 485	*19.1*	145 187	2.69	252 987	*15.8*	252 594	1.53
Q4	15 159	*5.1*	14 999	26.17	151 150†	*18.2*	150 607†	2.65	261 193†	*15.4*	261 380†	1.52
1987 Q1	14 808	*3.9*	15 044	26.51	159 611	*19.2*	159 347	2.59	270 267	*14.1*	271 027	1.51†
Q2	15 131	*4.6*	15 169	26.95	168 041	*19.3*	166 970	2.49	281 101	*13.9*	280 479	1.48
Q3	15 519	*5.0*	15 469	27.53	176 020	*19.6*†	174 532	2.47	291 933	*14.9*†	291 616	1.48
Q4	15 894	*4.9*	15 736	27.44	185 624	*22.9*	184 698	2.39	303 834	*16.3*	304 214	1.45
1988 Q1	15 622	*5.5*	15 833	27.79	193 014	*20.8*	192 350	2.35†	315 409	*16.8*	315 527	1.43
Q2	16 107	*6.4*	16 164	28.04	202 108	*20.2*	201 101	2.30	328 444	*16.8*	327 344	1.41
Q3	16 708	*7.6*	16 652	28.14	215 610	*22.5*	214 187	2.24	346 152	*18.6*	345 747	1.38
Q4	17 169	*8.0*	16 946	..	223 759	*20.4*	223 026	..	357 271	*17.5*	357 784	..
Calendar month												
1987 Jan	14 922	*4.1*	15 097	..	150 073†	*17.7*	152 214†	..	261 350†	*13.9*	262 475†	..
Feb	14 694	*4.1*	14 984	..	152 992	*19.0*	156 033	..	263 792	*13.9*	267 406	..
Mar	14 809	*3.5*	15 050	..	159 611	*19.2*	159 347	..	270 267	*14.1*	271 027	..
Apr	15 134	*5.3*	15 115	..	162 824	*20.5*	163 106	..	273 832	*14.7*	275 427	..
May	15 176	*4.4*	15 182	..	166 102	*19.0*	165 029	..	277 301	*13.8*	277 210	..
Jun	15 083	*4.2*	15 210	..	168 041	*19.3*	166 970	..	281 101	*13.9*	280 479	..
Jul	15 506	*5.3*	15 403	..	172 302	*20.9*†	170 816	..	286 437	*14.9*†	285 033	..
Aug	15 519	*4.5*	15 445	..	174 445	*22.2*	173 056	..	289 036	*15.6*	288 701	..
Sep	15 533	*5.2*	15 559	..	176 020	*19.6*	174 532	..	291 933	*14.9*	291 616	..
Oct	15 501	*5.5*	15 665	..	181 805	*22.5*	179 937	..	297 388	*15.8*	297 316	..
Nov	15 548	*4.9*	15 704	..	182 975	*21.5*	180 452	..	298 876	*15.2*	298 417	..
Dec	16 633	*4.2*	15 839	..	185 624	*22.9*	184 698	..	303 834	*16.3*	304 214	..
1988 Jan	15 639	*4.8*	15 797	..	183 708	*22.4*	185 931	..	304 381	*16.6*	305 056	..
Feb	15 477	*5.3*	15 784	..	184 380	*20.5*	187 762	..	305 740	*16.0*	309 739	..
Mar	15 751	*6.4*	15 919	..	193 014	*20.8*	192 350	..	315 409	*16.8*	315 527	..
Apr	16 025	*5.9*	16 031	..	194 490	*19.4*	195 277	..	317 437	*16.0*	319 121	..
May	16 048	*5.7*	16 147	..	197 063	*18.6*	196 175	..	321 686	*16.1*	321 157	..
Jun	16 247	*7.7*	16 315	..	202 108	*20.2*	201 101	..	328 444	*16.8*	327 344	..
Jul	16 599	*7.0*	16 462	..	207 907	*20.6*	206 901	..	336 530	*17.5*	334 689	..
Aug	16 733	*7.8*	16 619	..	209 445	*20.0*	208 797	..	338 937	*17.2*	338 509	..
Sep	16 793	*8.1*	16 875	..	215 610	*22.5*	214 187	..	346 152	*18.6*	345 747	..
Oct	16 692	*7.7*	16 864	..	217 502	*19.6*	215 653	..	348 802	*17.3*	348 779	..
Nov	16 774	*7.9*	16 907	..	220 254	*20.4*	217 704	..	351 813	*17.7*	350 667	..
Dec	18 040	*8.5*	17 066	..	223 759	*20.4*	223 026	..	357 271	*17.5*	357 784	..
1989 Jan	16 900†	*8.1*†	16 960†	..	223 637	*21.7*	225 898	..	359 476	*18.1*	360 296	..

1 A fuller range of monetary aggregates is published monthly in *Financial Statistics*.

2 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.

Source: Bank of England


Monetary aggregates
£ billion, seasonally adjusted
log scale
350
300
250
200
150
100
20
15
10
1985
1986
1987
1988

30 Counterparts to changes in money stock M3[1]

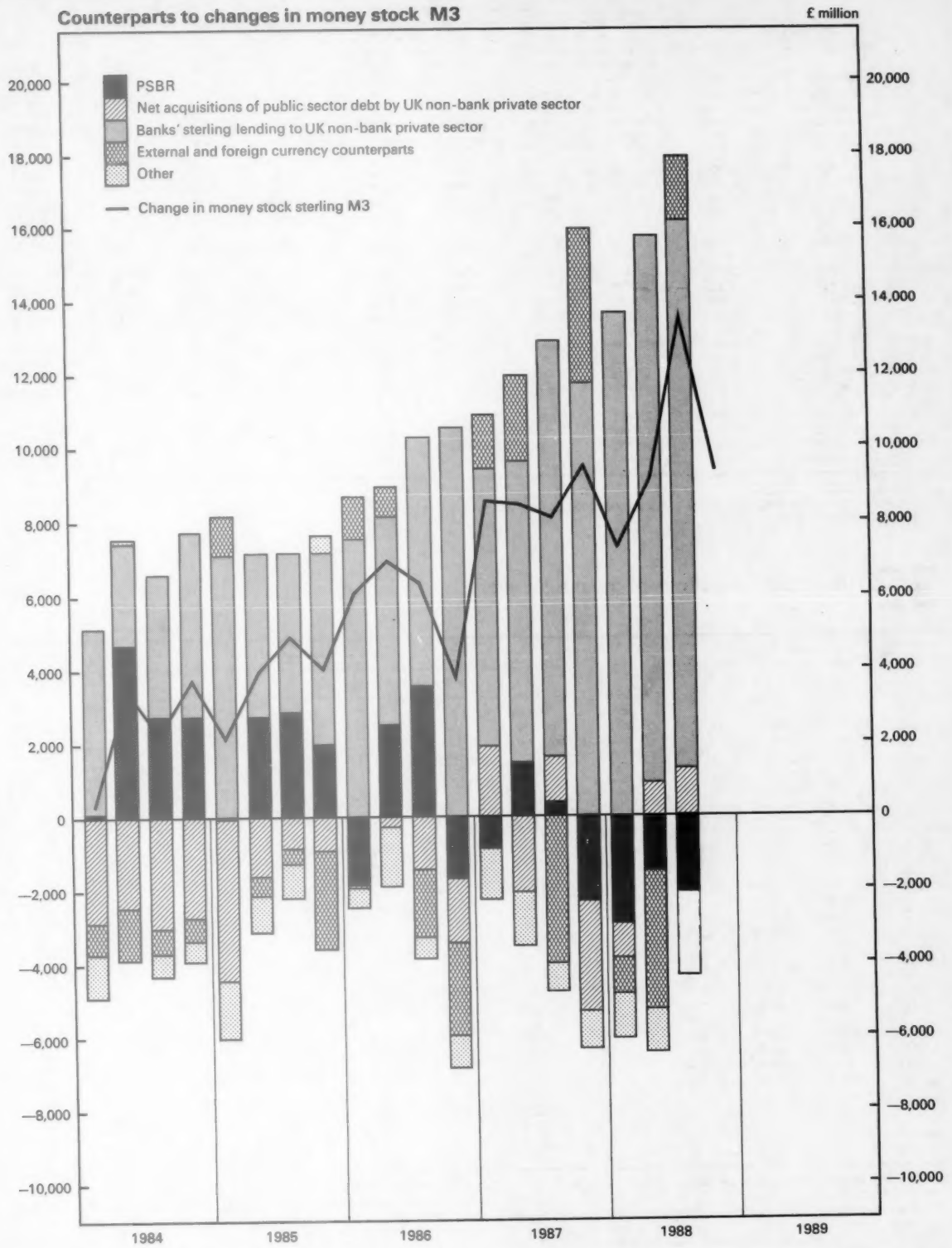
£ million, not seasonally adjusted

	Public Sector Borrowing Requirement	Purchases by UK non-bank private sector of: Central government debt: British government stocks	Central government debt: Other	Other public sector debt	External and foreign currency financing of public sector: Purchase of British government stocks by overseas sector	External and foreign currency financing of public sector: Other	Banks' sterling lending to UK non-bank private sector	External and foreign currency transactions of UK banks	Net non-deposit sterling liabilities	Domestic counterparts	External and foreign currency counterparts	M3
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
	ABEN	-ABGN	ABHJ	AGFA	-AARC	AQGA	AGFD	AGFJ	AGGG	AGFE	AGFF	AGCJ
1985	7 476†	-6 363	-2 893	1 467†	-2 920	-223†	20 968	500†	-3 013	20 652†	-2 643†	14 997
1986	2 418	-3 329	-2 434†	2 228	-2 115	152	30 446	-443	-3 763†	29 286	-2 395	23 127†
1987	-1 455	-1 673	-2 370	2 008	-3 862	11 521	38 672	-3 641	-4 681	35 437	3 805	34 561
1988	-11 627	3 458†	-856	2 276	-787†	4 364	57 177†	-10 056	-6 006	50 377	-6 432	37 939
1984 Q4	2 748†	-2 224	-1 378†	863†	-356	329†	4 943	-580	-565	4 954†	-607†	3 782
1985 Q1	-65	-3 655	-694	-21	-716	-275	7 099	2 033†	-1 593	2 662	1 042	2 111
Q2	2 717	-960	-844	174	-1 277	471	4 406	246	-993	5 492	-560	3 939
Q3	2 837	-730	-618	495	-377	-45	4 309	-32	-916	6 293	-454	4 924
Q4	1 987	-1 018	-737	819	-550	-374	5 154	-1 747	489	6 205	-2 671	4 023
1986 Q1	-1 883	-92	-68	103	-72	384	7 520	812	-571	5 581	1 124	6 135
Q2	2 472	-819	-1 158	1 682	-768	373	5 650	1 221	-1 661	7 784	827	6 950
Q3	3 531	-770	-810	106	-552	-453	6 734	-874	-573†	8 791	-1 867	6 349
Q4	-1 702	-1 648	-398	337	-723	-152	10 542	-1 602	-958	7 130	-2 479	3 693†
1987 Q1	-906	1 445	-204	641	-533	1 348	7 505	665	-1 435	8 596	1 411	8 572
Q2	1 433	-1 784	-1 150	859	-1 003	4 022	8 173	-664	-1 458	7 679	2 208	8 429
Q3	393	1 096	-430	532	-2 243	261	11 252	-2 037	-784	12 808	-3 987	8 037
Q4	-2 375	-2 430	-586	-24	-83	5 890	11 742	-1 605	-1 004	6 354	4 173	9 523
1988 Q1	-2 950	-754†	-183	-38	-183†	1 641	13 411†	-2 445	-1 220	9 374	-875	7 279
Q2	-1 553	408	-207	702	-488	661	14 825	-4 055	-1 179	14 165	-3 844	9 142
Q3	-2 089	770	-289	635	253	1 100	14 868	725	-2 317	14 000	1 977	13 660
Q4	-5 035	3 034	-177	977	-369	962	14 073	-4 281	-1 290	12 838	-3 690	7 858
1987 Mar	3 164	673	-317†	384†	-646	945	3 436	988	-1 861	7 340†	1 287	6 766†
Apr	2 007	-533	-77	274	-255	1 751	1 115	-1 128	58	2 786	368	3 212
May	-158†	-832	-472	487	9	2 861	2 346	-373	-589	1 371	2 497	3 279
Jun	-416	-271	-601	98	-904	-590	4 712	837	-927	3 522	-657	1 938
Jul	-455	667	-110	277	-1 234	399	4 599	-1 541	1 653	4 975	-2 376	4 252
Aug	619	243	-241	440	-495	-321	1 134	793	-29	2 195	-23	2 143
Sep	229	154	-79	-185	-482	183	5 519	-1 289	-2 408	5 638	-1 588	1 642
Oct	-977	-16	-92	-12	-841	3 770	2 965	650	338	1 868	3 579	5 785
Nov	-1 579	-1 665	-293	324	743	-183	3 305	189	329†	92	749	1 170
Dec	181	-721	-201	-336	-14	2 303	5 472	-2 444	-1 671	4 394	-155	2 568
1988 Jan	-6 288	-507	196	-82	-222	342†	4 917†	-1 631	1 243	-1 764	-1 511†	-2 032
Feb	-480	-762	-122	159	-262	-39	2 627	-472	27	1 422	-773	676
Mar	3 818	403†	-257	-115	413†	1 338	5 867	-342	-2 490	9 716	1 409	8 635
Apr	-1 138	-800	-90	438	-287	312	4 247	-1 446	233	2 664	-1 421	1 476
May	-519	519	15	-59	-	258	3 180	-275†	-555	3 143	-17	2 571
Jun	104	653	-132	323	-163	91	7 398	-2 334	-857	8 358	-2 406	5 095
Jul	-1 595	986	-294	191	-278	605	6 195	752	-761	5 481	1 079	5 799
Aug	-1 578	436	-60	441	-227	487	1 576	401	55	822	661	1 538
Sep	1 084	-554	65	3	657	8	7 097	-428	-1 611	7 697	237	6 323
Oct	-2 163	2 161	-125	388	-369	455	4 242	-2 408	-309	4 523	-2 322	1 892
Nov	-372	571	-169	313	14	434	2 995	-1 274	231	3 348	-826	2 753
Dec	-2 500	216	117	276	-16	73	6 836	-599	-1 212	4 967	-542	3 213
1989 Jan	-6 879	1 332	158	-307	-331	589	5 445	-614	501	-268	-356	-123
Feb	-1 045	..	..	..	..	..	..	..	..	..	..	..

For most periods the relationships between the columns are as follows: 10 = 1+2+3+4+7; 11 = 5+6+8; 12 = 9+10+11. Due to the inclusion of the latest PSBR information, the figures for more recent periods may not add exactly.

1 A wider range of figures is published monthly in *Financial Statistics*.

Source: Bank of England


Counterparts to changes in money stock M3
£ million
PSBR
Net acquisitions of public sector debt by UK non-bank private sector
Banks' sterling lending to UK non-bank private sector
External and foreign currency counterparts
Other
Change in money stock sterling M3
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
—2,000
—4,000
—6,000
—8,000
—10,000
1984
1985
1986
1987
1988
1989

31 General government receipts and expenditure

£ million, not seasonally adjusted

	General government									
	Receipts[1]		Expenditure							
			Goods and services		Current and capital transfers					
	Taxes and social security contributions	Trading income, rent, royalties, interest, etc.	Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest	Net lending etc[2]	Total	Public expenditure planning total
	ABKA	ABKB	AAXI	ABKC	ABKD	AAYG	AAXL	ABAA	ABAB	ABAZ
1986	143 845†	13 001†	79 612†	6 773†	59 164†	3 120†	17 129	-3 999	161 799†	137 331†
1987	155 273	13 360	85 552	6 417	61 925	3 106	17 758†	-6 396†	168 399	142 832
1988	172 583	13 609	91 547	5 491	63 443	3 611	18 149	-5 100	177 141	148 977
1985 Q4	34 965†	3 739†	18 757†	1 730	14 243†	810	4 313†	214	40 067†	34 174†
1986 Q1	37 911	3 439	20 411	2 673†	14 328	949	4 821	-599	42 583	36 186
Q2	32 995	3 200	19 378	1 251	14 694	659	3 728	-1 216	38 494	32 445
Q3	34 817	3 142	19 606	1 452	14 980	779†	4 711	56	41 584	34 861
Q4	38 122	3 220	20 217	1 397	15 162	733	3 869	-2 240	39 138	33 839
1987 Q1	40 171	3 492	21 538	2 468	15 511	978	5 201	-523†	45 173	37 961
Q2	34 794	3 195	20 664	987	15 545	620	3 590	-3 099	38 308	32 755
Q3	39 198	3 192	21 385	1 448	15 395	760	4 980	-1 574	42 404	35 424
Q4	41 110	3 481	21 965	1 514	15 474	748	3 987	-1 200	42 501	36 678
1988 Q1	45 890	3 624	22 903	2 542	16 401	972	5 122	652	48 625	40 851
Q2	38 658	3 217	22 232	917	15 730	616	3 688	-2 807	40 376	34 333
Q3	42 091	3 363	22 780	896	14 981	1 239	4 937	-1 631	43 202	35 689
Q4	46 144	3 405	23 632	1 136	16 331	784	4 402	-1 314	44 971	38 137

1 Excluding financial transactions.
2 Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc.(net).

Source: Central Statistical Office

32 Financial transactions of the public sector[1]

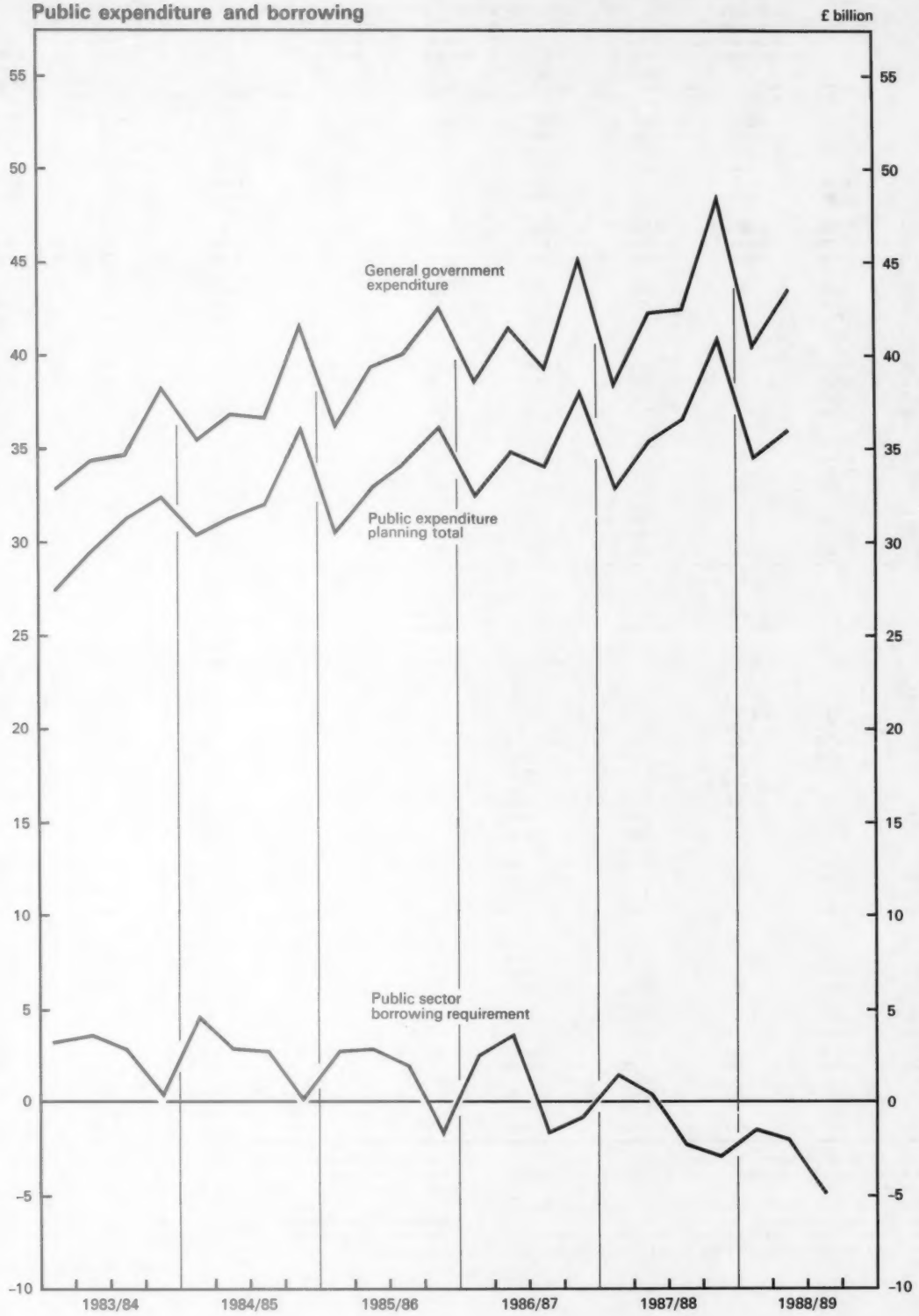
£ million, not seasonally adjusted

	Financial deficit[2]				Receipts						
					Borrowing requirement[5]						
	General government[3]	Public corporations	Total	Net lending etc, to private sector and overseas[4]	Central government (own account[6])	Local authorities	Public corporations	Total	Seasonally adjusted total[7]	Other financial transactions (net receipts)	Total
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
	-AABC	-AABD	-AABE	ABKG	ABEB	ABEG	ABEM	ABEN	ABFB	ABKI	ABKH
1986	8 952†	-1 100†	7 852†	-4 010	2 475†	655	-712†	2 418	2 418	1 424†	3 842†
1987	6 126	-1 273	4 853	-6 004†	-969	819	-1 305	-1 455	-1 455	308	-1 147
1988	-3 951	-1 800	-5 751	-5 954	-10 199	498†	-1 926	-11 627†	-11 627†	-78	-11 705
1986 Q1	1 832†	-442†	1 390†	-721	-3 157†	1 296	-22†	-1 883	441	2 552†	669†
Q2	3 515	-356	3 159	-1 006	3 063	-104	-487	2 472	911	-319	2 153
Q3	3 569	377	3 946	-41	3 621	131†	-221	3 531†	2 081†	374	3 905
Q4	36	-679	-643	-2 242	-1 052	-668	18	-1 702	-1 015	-1 183	-2 885
1987 Q1	2 033	18	2 051	-591†	-1 130	791	-567	-906	353	2 366	1 460
Q2	3 417	-474	2 943	-2 422	1 761	139	-467	1 433	-394	-912	521
Q3	1 578	15	1 593	-1 680	358	255	-220	393	-101	-476	-83
Q4	-902	-832	-1 734	-1 311	-1 958	-366	-51	-2 375	-1 313	-670	-3 045
1988 Q1	-1 374	-109	-1 483	37	-3 405	1 209	-754	-2 950	-1 602	1 504	-1 446
Q2	1 308	-373	935	-2 699	-1 474	234	-313	-1 553	-3 053	-211	-1 764
Q3	-621	-344	-965	-2 209	-1 699	-220	-170	-2 089	-2 939	-1 085	-3 174
Q4	-3 264	-974	-4 238	-1 083	-3 621	-725	-689	-5 035	-4 033	-286	-5 321
1988 Dec	..	..	..	..	-2 358†	113†	-255†	-2 500†	..	..	..
1989 Jan	..	..	..	..	-7 024	82	63	-6 879	..	..	..
Feb	..	..	..	..	-495	-86	-464	-1 045	..	..	..

The relationships between the columns are as follows: 1 + 2 = 3; 3 + 4 = 11; 5 + 6 + 7 = 8; 8 + 10 = 11.
1 Due to the inclusion of the latest PSBR figures this table may not be internally consistent.
2 The excess of current and capital expenditure over receipts.
3 Table 31, columns 3 to 7 *less* columns 1 and 2.
4 Including cash expenditure on company securities (net). Lending is shown positively; repayment is shown negatively.
5 Redefined: see article in *Economic Trends*, No. 364, February 1984.
6 Excluding borrowing matched by on-lending to local authorities and public corporations.
7 Calendar year constrained.

Source: Central Statistical Office

Public expenditure and borrowing



33 Summary capital accounts and financial surplus or deficit[7]

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
	ABKJ	ABKK	ABKL	AAUM	AAUN	GGCX	AAUQ	AAUR	GGCW
1983	5 338	-1 366	14 208	6 295	-61	5 376	25 868	313	20 206
1984	2 235	-1 518	13 697	6 096	-65	7 048	31 491	194	24 917
1985	3 627	-400	12 776	8 500	-118	7 829	33 087	80	27 160
1986	4 008	319	12 164	11 924	-219	7 293	33 839	-73	28 470
1987	4 868	973	10 808	13 091	-261	8 021	45 335	-384	36 504
1984 Q2	378	-393	3 291	1 583	-21	1 749	7 518	49	5 951
Q3	562	-304	3 554	1 165	-16	1 827	8 005	45	5 906
Q4	174	-324	3 579	1 993	-16	1 941	8 561	33	7 115
1985 Q1	113	-166	3 098	1 922	-21	2 469	8 664	12	7 271
Q2	868	-144	3 227	1 742	-32	1 511	8 573	9	6 662
Q3	1 755	-65	3 309	2 280	-32	1 987	7 766	30	6 656
Q4	891	-25	3 142	2 556	-33	1 862	8 084	29	6 571
1986 Q1	1 496	26	2 984	2 680	-45	1 942	8 134	-37	6 275
Q2	1 723	46	3 252	2 902	-58	1 760	6 893	33	6 358
Q3	-355	73	3 037	2 964	-58	1 749	9 808	-16	7 176
Q4	1 144	174	2 891	3 378	-58	1 842	9 004	-53	8 661
1987 Q1	-251	106	2 753	3 384	-41	1 765	10 657	-14	8 071
Q2	1 296	156	2 657	3 005	-74	1 981	11 466	-72	9 077
Q3	2 096	253	2 782	3 483	-58	1 861	12 197	-126	10 112
Q4	1 727	458	2 616	3 219	-88	2 414	11 015	-172	9 244
1988 Q1	2 284	512	2 950	3 889	-85	2 354	11 172	-214	9 206
Q2	3 825	374	2 839	4 562	-86	2 728	11 389	-137	10 817
Q3	3 930	-127	2 665	5 058	-78	2 928	12 386	360	9 651

	Personal sector			Financial surplus/deficit[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Balancing item[6]
	AAUU	AAUV	GGCV	AAVE	AAVF	AAVG	AAVH	AAVI	AAVJ
1983	21 513	1 114	14 494	-10 236	858	5 975	8 133	-3 832	-898
1984	23 456	1 389	15 130	-12 980	-1 017	6 768	9 715	-2 022	-464
1985	22 845	438	15 903	-9 549	553	6 007	7 380	-3 337	-1 054
1986	18 428	-27	18 477	-7 837	4 412	5 296	-76	175	-1 970
1987	13 628	-328	21 478	-4 967	4 809	8 447	-8 178	2 687	-2 798
1984 Q2	5 291	365	3 672	-3 306	-187	1 616	1 984	231	-338
Q3	6 053	275	3 783	-3 296	-678	2 144	2 545	269	-984
Q4	6 348	307	3 665	-3 729	36	1 479	2 990	-1 083	307
1985 Q1	5 618	175	3 996	-3 151	-568	1 405	1 797	50	467
Q2	6 148	167	4 157	-2 503	199	1 920	2 158	-1 445	-329
Q3	5 419	67	3 783	-1 619	261	1 140	1 703	-1 017	-468
Q4	5 660	29	3 967	-2 276	661	1 542	1 722	-925	-724
1986 Q1	4 858	56	4 052	-1 462	693	1 822	862	-1 100	-815
Q2	4 762	-21	4 485	-1 483	1 084	568	256	-322	-103
Q3	4 377	1	4 854	-3 319	1 157	2 616	-476	982	-960
Q4	4 431	-63	5 086	-1 573	1 478	290	-718	615	-92
1987 Q1	4 732	-51	4 885	-2 898	1 578	2 572	-204	-872	-176
Q2	3 816	-10	5 322	-1 205	950	2 317	-1 516	388	-934
Q3	2 472	-69	5 806	-433	1 564	1 959	-3 403	1 205	-892
Q4	2 608	-198	5 465	-431	717	1 599	-3 055	1 966	-796
1988 Q1	2 981	-213	5 985	-154	1 450	1 752	-3 217	2 835	-2 666
Q2	1 536	-151	6 899	1 360	1 748	435	-5 514	2 661	-690
Q3	941	-155	6 755	1 138	2 052	3 095	-5 969	3 724	-4 040

1 Excluding financial transactions in writing-off debt.
2 Before providing for depreciation, stock appreciation and addition to reserves.
3 Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
4 This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
5 Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
6 For periods when the sector current and capital accounts are fully articulated, it is equal to the residual error in the national accounts.
7 In order to present a consistent table, fourth quarter figures for 1988 together with revisions to earlier data which are available for some series have not been included.

Source: Central Statistical Office

Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
6,000
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
−5,000
−6,000
−7,000
1984
1985
1986
1987
1988
1989

34 Appropriation account of industrial and commercial companies[1]

£ million

	Income								Allocation of income				Balance	
	Income arising in the United Kingdom								Dividends, interest and other transfer payments					
	Gross trading profits													
	Net of stock appreciation													
	N. Sea oil companies	Other companies	Total[2]	Stock appreciation	Before deducting stock appreciation	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Total income	Dividends on ordinary shares[3]	Other[3,4]	Profits due abroad (net of UK tax)	UK taxes on income: payments[5]	Undistributed income[6]	Undistributed income adjusted for unremitted profits[6,7]
	CIDT	CIDU	AIAO	AIAP	AIAQ	AIAR	AIAS	AIAN	AIAU	AIAV	AIAW	AIAY	AAUQ	AIAZ
1979	5 255	18 562	23 817	7 408	31 225	2 923	5 651	39 799	3 471	6 346	3 711	4 245	22 026	22 975
1980	8 056	17 656	25 712	5 394	31 106	3 637	5 085	39 828	3 234	8 841	4 424	5 705	17 624	18 383
1981	10 864	17 146	28 010	5 064	33 074	4 316	5 723	43 113	3 303	9 485	4 182	7 676	18 467	18 187
1982	12 726	21 303	34 029	3 511	37 540	4 501	5 647	47 688	4 057	10 432	3 973	9 198	20 028	19 489
1983	15 683	24 696	40 379	3 619	43 998	4 905	6 811	55 714	4 840	9 452	4 631	10 923	25 868	24 921
1984	19 009	27 748†	46 757†	4 117	50 874†	5 526	8 814	65 214†	5 040†	10 645	5 536	12 691	31 302†	28 701†
1985	18 365	37 405	55 770	2 209	57 979	7 100†	8 713†	73 792	6 971	12 606†	6 395†	15 280	32 540	31 399
1986	8 421	43 232	51 653	1 639†	53 292	7 402	8 006	68 700	9 000	11 321	4 334	12 820†	31 225	28 675
1987	9 524	51 607	61 131	4 321	65 452	7 942	11 933	85 327	11 893	11 724	6 250	13 506	41 954	38 177
1988	6 903†	61 809	68 712	5 230	73 942	9 070	13 024	96 036	17 739	14 791	6 454	15 085	41 967	38 497
1981 Q1	2 395	3 731	6 126	1 073	7 199	939	1 359	9 497	812	2 189	903	1 732	3 861	3 442
Q2	2 731	3 787	6 518	1 450	7 968	961	1 240	10 169	820	2 216	760	1 645	4 728	4 275
Q3	2 862	4 550	7 412	1 343	8 755	1 178	1 410	11 343	813	2 381	1 069	1 890	5 190	5 003
Q4	2 876	5 078	7 954	1 198	9 152	1 238	1 714	12 104	858	2 699	1 450	2 409	4 688	5 467
1982 Q1	2 634	4 405	7 039	929	7 968	1 184	1 349	10 501	1 170	2 592	1 008	2 122	3 609	3 133
Q2	3 069	5 762	8 831	759	9 590	1 158	1 342	12 090	999	2 712	927	2 464	4 988	4 811
Q3	3 512	5 302	8 814	900	9 714	1 075	1 351	12 140	971	2 573	930	2 457	5 209	5 042
Q4	3 511	5 834	9 345	923	10 268	1 084	1 605	12 957	917	2 555	1 106	2 155	6 222	6 503
1983 Q1	3 628	5 313	8 941	1 115	10 056	1 209	1 575	12 840	981	2 464	926	2 882	5 587	5 296
Q2	3 725	6 125	9 850	857	10 707	1 190	1 532	13 429	1 241	2 348	1 292	2 342	6 206	6 191
Q3	4 193	6 423	10 616	1 123	11 739	1 250	1 982	14 971	1 291	2 340	1 067	2 089	8 184	7 943
Q4	4 137	6 835	10 972	524	11 496	1 256	1 722	14 474	1 327	2 300	1 348	3 610	5 891	5 491
1984 Q1	4 211	6 607†	10 818†	863	11 681†	1 322	1 959	14 962†	1 106†	2 298†	1 372	2 894	7 292†	7 292†
Q2	4 715	6 403	11 118	1 378	12 496	1 274	1 933	15 703	1 362	2 514	1 471	2 983	7 373	7 354
Q3	4 901	7 277	12 178	759	12 937	1 481	2 517	16 935	1 253	2 958	1 518	3 240	7 966	7 590
Q4	5 182	7 461	12 643	1 117	13 760	1 449	2 405	17 614	1 319	2 875	1 175	3 574	8 671	6 465
1985 Q1	5 139	8 675	13 814	1 131	14 945	1 787	2 359†	19 091	1 392	3 390	1 756†	4 002†	8 551	8 488
Q2	4 997	9 001	13 998	395	14 393	1 799	2 407	18 599	1 737	3 232	1 710	3 663	8 257	7 843
Q3	4 094	9 564	13 658	245	13 903	1 748†	2 237	17 888	2 018	2 981	1 420	3 826	7 643	7 291
Q4	4 135	10 165	14 300	438	14 738	1 766	1 710	18 214	1 824	3 003	1 509	3 789	8 089	7 777
1986 Q1	3 138	10 541	13 677	-506†	13 171	1 868	1 592	16 631	1 973	2 917	956	3 356	7 429	7 157
Q2	1 704	11 098	12 802	66	12 868	1 780	1 950	16 598	2 303	2 664	1 083	4 028	6 520	6 216
Q3	1 633	10 485	12 118	850	12 968	1 793	2 216	16 977	2 156	2 722	1 042	2 131	8 926	8 459
Q4	1 948	11 108	13 056	1 229	14 285	1 961	2 248	18 494	2 568	3 018	1 253	3 305	8 350	6 843
1987 Q1	2 476	12 075	14 551	824	15 375	2 023	2 724	20 122	3 028	2 909	1 555	2 771	9 859	8 828
Q2	2 370	12 928	15 298	1 384	16 682	1 885	2 989	21 556	2 726	2 859	1 475	3 584	10 912	9 663
Q3	2 504	13 505	16 009	1 168	17 177	1 997	3 154	22 328	2 946	3 008	1 599	3 729	11 046	9 827
Q4	2 174	13 099	15 273	945	16 218	2 037	3 066	21 321	3 193	2 948	1 621	3 422	10 137	9 859
1988 Q1	1 987	15 759	17 746	689	18 435	1 979	2 754	23 168	3 829	3 040	1 526	3 721	11 052	9 911
Q2	1 816†	14 681	16 497	1 597	18 094	1 992	3 234	23 320	3 707	3 166	1 513	4 170	10 764	9 736
Q3	1 710	16 137	17 847	1 425	19 272	2 426	3 497	25 195	4 489	4 053	1 816	3 551	11 286	10 322
Q4	1 390	15 232	16 622	1 519	18 141	2 673	3 539	24 353	5 714	4 532	1 599	3 643	8 865	8 528

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984, British Gas from 3 December 1986, British Airways from 6 February 1987, Royal Ordnance from 22 April 1987, BAA from 16 July 1987 and British Steel from 2 December 1988.

2 Before providing for depreciation.

3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of those dividends is included in UK taxes on income. Excludes dividend and debenture interest paid by UK subsidiaries to their overseas parents.

4 Including royalties and licence fees on oil and gas production.

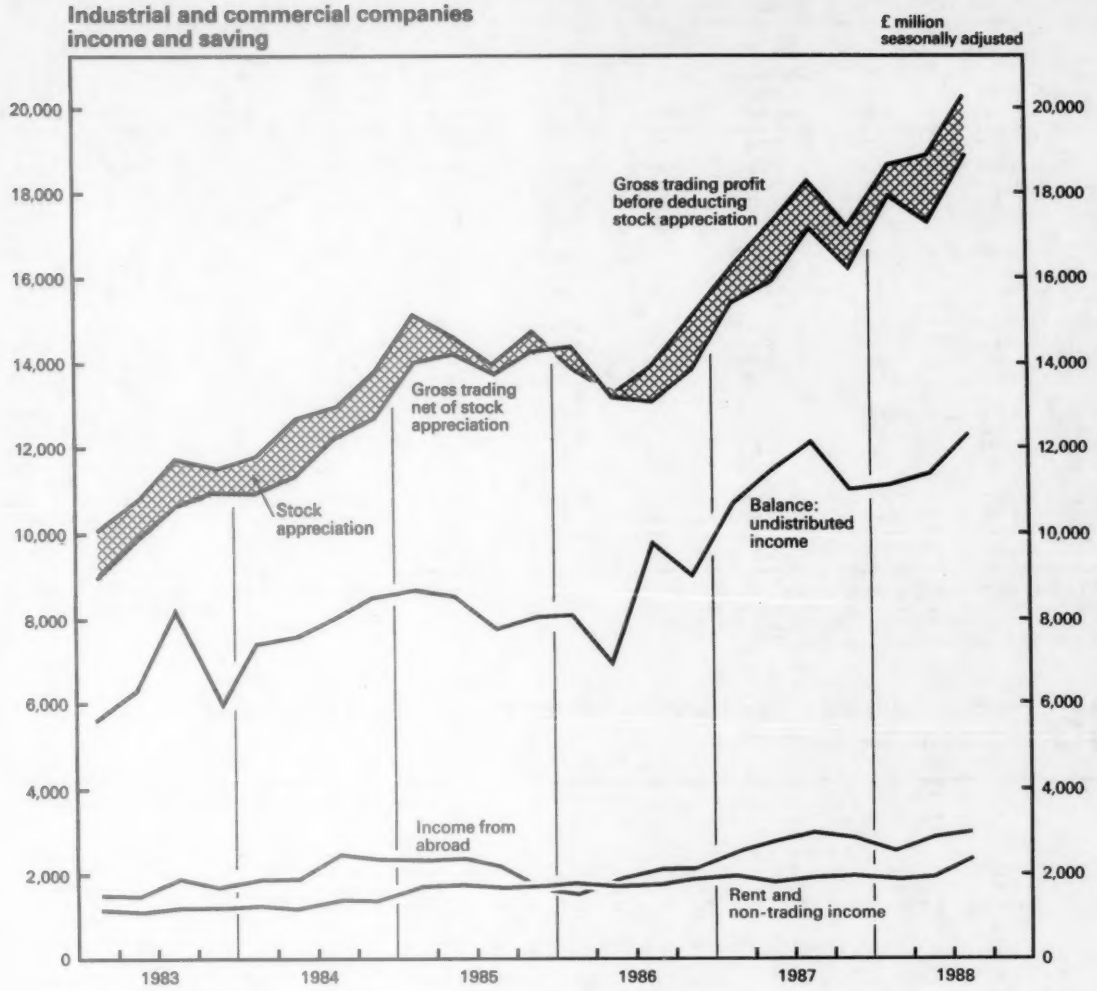
5 Mainly payments of corporation tax (including advance corporation tax) and petroleum revenue tax.

6 Before providing for depreciation, stock appreciation and additions to reserves.

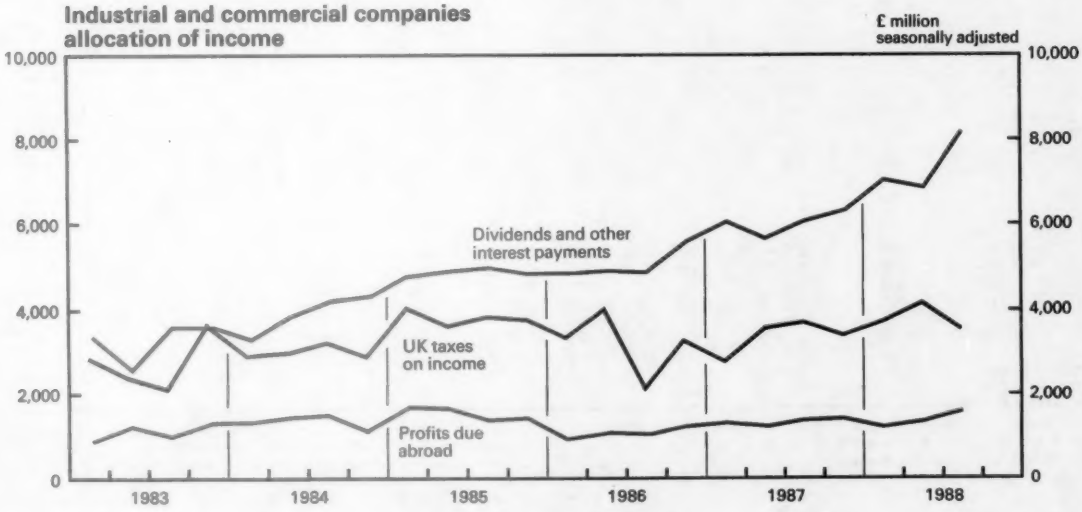
7 Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Source: Central Statistical Office

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



35 Capital account and financial surplus/deficit of industrial and commercial companies[1]

£ million

	Receipts					Expenditure				
	Undistributed income	Stock appreciation	Undistributed income less stock appreciation	Capital transfers	Total receipts[2]	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Total expenditure	Balance: financial surplus/deficit
	AAUQ	AIAP	FMBC	CIDZ	FMBA	AAUS	FMBG	FMBH	FMBF	AAVG
1986	31 225†	1 639†	29 586†	719†	30 305†	26 336†	807†	671†	27 814†	2 491†
1987	41 954	4 321	37 633	512	38 145	32 195	1 477	874	34 546	3 599
1988	41 967	5 230	36 737	1 021	37 758	37 375	2 315	1 229	40 919	-3 161
1985 Q2	8 257†	395	7 862†	98†	7 960†	6 007	260	84	6 351	1 609†
Q3	7 643	245	7 398	151	7 549	6 257	154	111	6 522	1 027
Q4	8 089	438	7 651	157	7 808	6 271	-138	121	6 254	1 554
1986 Q1	7 429	-506†	7 935	163	8 098	6 450†	409†	79†	6 938†	1 160
Q2	6 520	66	6 454	209	6 663	6 271	92	176	6 539	124
Q3	8 926	850	8 076	185	8 261	6 814	-413	201	6 602	1 659
Q4	8 350	1 229	7 121	162	7 283	6 801	719	215	7 735	-452
1987 Q1	9 859	824	9 035	154	9 189	7 184	254	159	7 597	1 592
Q2	10 912	1 384	9 528	135	9 663	7 906	72	204	8 182	1 481
Q3	11 046	1 168	9 878	113	9 991	8 346	1 054	236	9 636	355
Q4	10 137	945	9 192	110	9 302	8 759	97	275	9 131	171
1988 Q1	11 052	689	10 363	108	10 471	8 897	246	309	9 452	1 019
Q2	10 764	1 597	9 167	117	9 284	9 319	560	252	10 131	-847
Q3	11 286	1 425	9 861	658	10 519	9 311	-184	298	9 425	1 094
Q4	8 865	1 519	7 346	138	7 484	9 848	1 693	370	11 911	-4 427

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984, British Gas from 3 December 1986, British Airways from 6 February 1987, Royal Ordnance from 22 April 1987, BAA from 16 July 1987 and British Steel from 2 December 1988.

2 After deducting stock appreciation but before providing for depreciation.

Source: Central Statistical Office

36 Financial transactions including net borrowing requirement of industrial and commercial companies[1]

£ million

	Transactions leading to net borrowing requirement						Financing of net borrowing requirement[4]				
							Borrowing from		Financial assets		
	Financial surplus/deficit	Net unremitted profits[2]	Net identified trade and other credit[3,4]	Investment in UK company securities[5]	Investment abroad	Balancing item	Banks[6]	Other	Liquid	Other	Net borrowing requirement (NBR)
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
	AAVG	-AICX	-AIDL	-AICC	-AIDC	-AAOB	-AANA	-AICT	-AICU	-AICV	-AICW
1985	5 492†	-1 141†	-772†	-2 995	-3 878†	-3 871†	7 704	5 071†	-4 888†	-722	7 165†
1986	2 491	-2 550	-851	-1 985†	-5 205	-2 918	9 419†	11 796	-11 176	979†	11 018
1987	3 599	-3 777	-964	-3 170	-15 165	-4 128	12 992	23 188	-9 835	-2 740	23 605
1988	-3 161	-3 470	-2 096	-11 579	-8 974	..	29 728	16 694	-5 013	..	..
			-ABKP			-AIDD	-AIDF	-AIDJ	-AIDG		-AIDI
1985 Q1	1 302†	-63†	66†	-834	-1 769†	-79†	1 934	2 154†	-1 867†	-844	1 377†
Q2	1 609	-414	-619	-1 024	-788	-2 736	1 831	818	-202	1 525	3 972
Q3	1 027	-352	469	-679	-570	802	2 117	892	-1 528	-2 178	-697
Q4	1 554	-312	-702	-458	-751	-1 844	1 822	1 207	-1 291	775	2 513
1986 Q1	1 160	-272	926	-320	462	-4 015	2 099	1 797	-1 912	75†	2 059
Q2	124	-304	-973	-588	-292	1 600	898	3 766	-4 174	-57	433
Q3	1 659	-467	-677	-441	-2 558	640	1 668	2 650	-4 926	2 452	1 844
Q4	-452	-1 507	-113	-636†	-2 817	-1 157	4 754†	3 583	-164	-1 491	6 682
1987 Q1	1 592	-1 031	539	-265	-2 519	337	1 772	3 116	-2 551	-990	1 347
Q2	1 481	-1 249	-598	-1 290	-4 579	1 535	2 286	5 232	-1 600	-1 218	4 700
Q3	355	-1 219	2	-511	-6 397	-4 834	4 655	10 020	-1 895	-176	12 604
Q4	171	-278	-879	-1 104	-1 670	-1 194	4 039	4 820	-3 549	-358	4 954
1988 Q1	1 019	-1 141	422	-3 675	-711	-5 365	7 765	4 048	-2 356	-6	9 451
Q2	-847	-1 028	-1 072	-1 595	-3 158	-4 722	7 451	4 127	492	352	12 422
Q3	1 094	-964	-63	-3 287	-1 805	-3 942	7 745	3 519	-2 849	552	8 967
Q4	-4 427	-337	-1 441	-3 022	-3 300	..	7 469	5 000	-540	..	..

1 Inflows(+), outflows(-); relationships between columns: 1+2+3+4+5+6+7+ 8+9+10 = zero; 7+8+9+10 = 11.

2 Retained in UK (+); retained abroad (-).

3 Includes accruals adjustment.

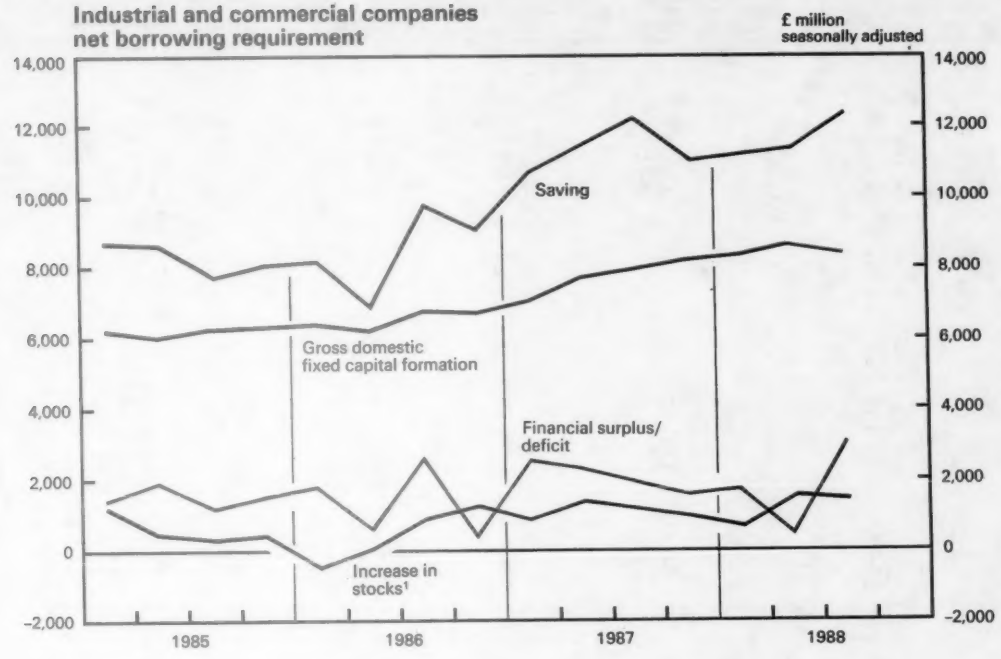
4 Seasonal adjustments include day-of-week adjustments. The quarterly figures therefore do not always sum to the annual totals.

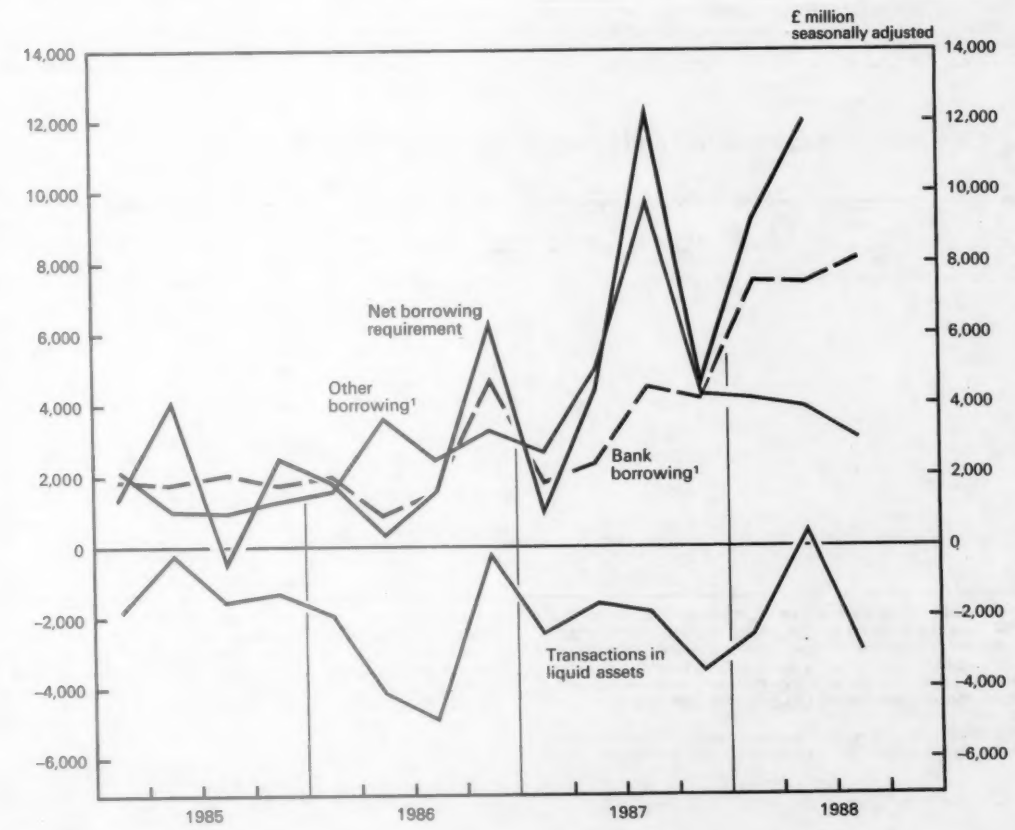
5 Cash expenditure on subsidiaries and trade investments in the United Kingdom.

6 Includes Bank of England Issue Department transactions in commercial bills.

Source: Central Statistical Office

Industrial and commercial companies net borrowing requirement





37 UK banks' lending to UK residents[1]

£ million

	Lending to public sector			Lending to private sector		
	Sterling	Other currencies	Total	Sterling	Other currencies	Total
Transactions						
	AEBT	AECC	FPAA	AECI	AECO	FPAD
1984	631	291	922	16 541†	4 904	21 445
1985	-2 092	404	-1 688	20 968	4 742	25 710
1986	-954	30	-924	30 446	8 252†	38 694
1987	59	-347	-288	38 432	10 559	48 980
1988	-1 479†	-566	-2 043	56 694	9 610	66 403
1983 Q4	-101	185	149	3 653†	-108	3 545
1984 Q1	1 213	-36	1 066	4 336	1 102	5 438
Q2	-2 580	43	-2 307	3 162	808	3 970
Q3	1 038	115	1 042	3 814	1 047	4 861
Q4	960	169	1 121	5 229	1 947	7 176
1985 Q1	-3 653	89	-3 586	6 304	3 227	9 531
Q2	-1 815	35	-1 801	4 923	1 382	6 305
Q3	1 723	22	1 724	4 435	-806	3 629
Q4	1 653	258	1 975	5 306	939	6 245
1986 Q1	72	1	51	6 538	2 362	8 900
Q2	-1 420	-69	-1 510	6 470	1 575	8 045
Q3	-383	195	-210	6 920	3 688	10 608
Q4	777	-97	745	10 518	627†	11 141
1987 Q1	651	220	854	6 726	7 136	13 868
Q2	-2 775	28	-2 764	8 923	4 739	13 656
Q3	-176	-80	-273	11 427	-1 155	10 276
Q4	2 359	-515	1 895	11 356	-161	11 180
1988 Q1	512	-761	-267	12 671	1 802	14 490
Q2	-3 244	-130	-3 391	15 582	1 632	17 215
Q3	-1 222†	1	-1 238	15 244	3 033	18 277
Q4	2 475	324	2 853	13 197	3 143	16 421

1 Seasonally adjusted data are shown on a calendar year basis whereas data in Tables 1, 29 and 30 are on a financial year basis. The quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

Source: Bank of England

38 UK banks' loans, advances and acceptances to UK residents[1]

£ million

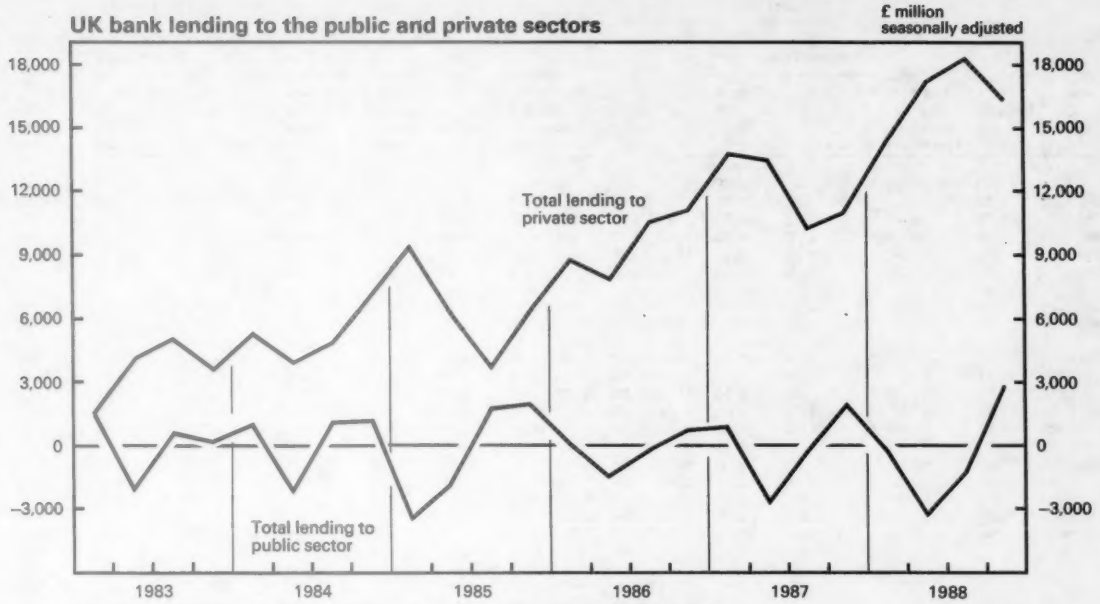
	Manufacturing	Other production	Financial	Services	Persons	Total loans, advances and acceptances
Amounts outstanding (November 1988):	40 562	21 234	80 152	84 184	78 319	304 450
Changes						
	FRAB	FRAC	FRAD	FRAE	FRAF	FRAA
1986 Feb	36	585	941	2 191	1 260	5 013
May	518	-213	3 883	3 509	1 882	9 582
Aug	358	487	1 849	2 320	2 784	7 796
Nov	1 193	-570	2 715[2]	-6 554[2]	1 759	11 264
1987 Feb	917†	944†	6 317†	2 055†	2 016†	12 248†
May	-1 038	1 673	7 260	3 386	3 517	14 797
Aug	578	-436	2 999	2 091	4 532	9 764
Nov	858	-228	3 428	4 355	4 518	12 931
1988 Feb	1 493	723	-1 324	5 217	3 112	9 221
May	2 538	893	2 189	4 821	4 431	14 871
Aug	4 345	751	816	4 785	5 547	16 244
Nov	2 821	1 487	5 296	6 694	3 878	20 178

1 For a more detailed breakdown of these figures see *Financial Statistics* Table 6.6. The analysis covers loans, advances and acceptances in both sterling and foreign currencies (changes in the latter being adjusted for exchange rate movements) provided by banks to their customers and therefore does not include funds placed through the local authority money market or funds lent to monetary sector institutions. Acceptances are not granted to persons.

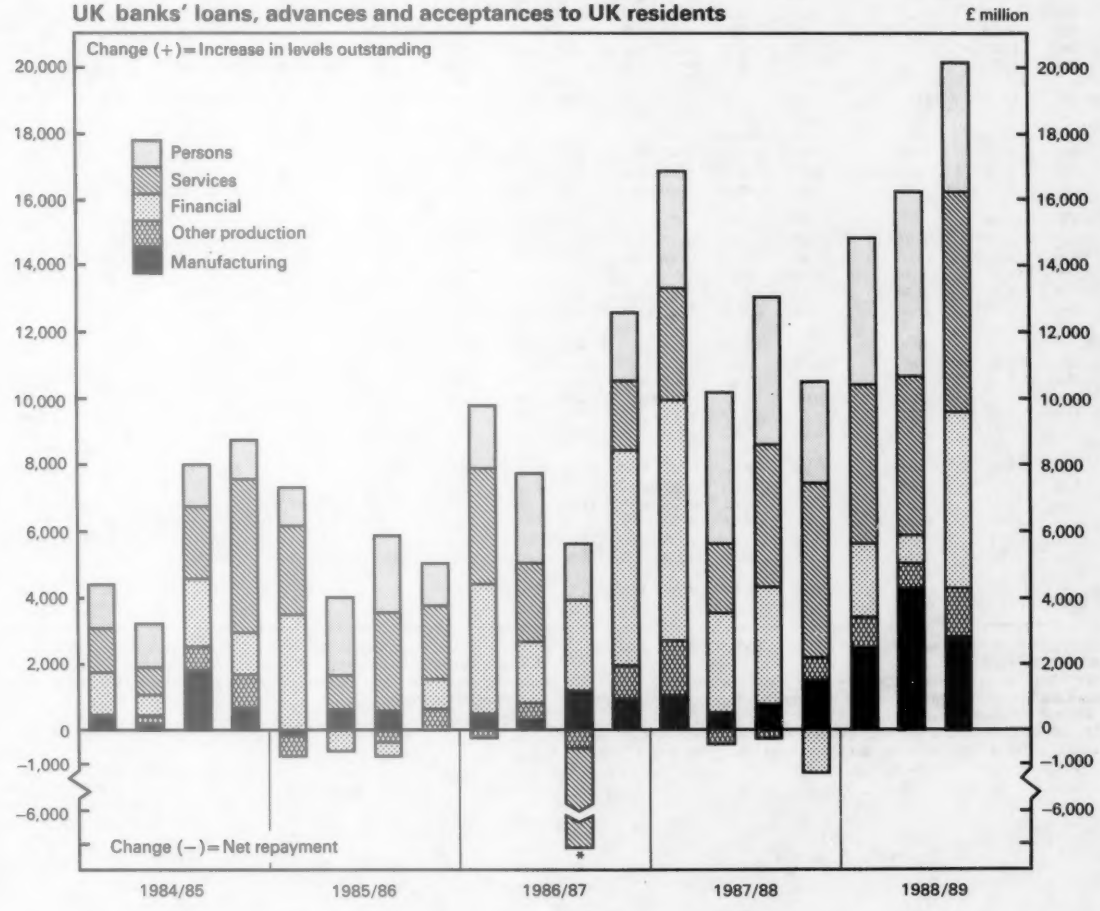
2 From November 1986 lending to securities dealers, stockbrockers and stockjobbers (including money placed with Stock Exchange money brokers and gilt-edged market makers) is included within the financial sector. Such lending was previously included in the services sector. Whilst the effect of this reclassification can be seen in the change shown for the services sector in the period August-November 1986, it is not possible to reflect it in the financial sector for the same period because the amount of outstanding lending to securities dealers etc. at August 1986 is not known.

Source: Bank of England

UK bank lending to the public and private sectors



UK banks' loans, advances and acceptances to UK residents



* See footnote[2] page 66 lower table

39 Interest rates, security prices and yields

Percentage rate

	Last Friday						Last working day		Average of working days			
			Selected retail banks							Financial Times index of industrial ordinary shares 1 July 1935 = 100		
	Treasury bill yield[1]	Deposits with local authorities - 3 months[2]	Base rate	Deposit account: 7 days' notice	Inter-bank 3 month rate[3]	Sterling certificates of deposit - 3 months	Euro-dollar 3 month rate	Building societies average rate on shares[4]	British government securities: long dated[5] - 20 years	Price index	Dividend yield	Earnings yield
	AJNC	AJOI		AJNF			AJIB	AJNM	AJLX	AJMT	AJMU	AJMV
1982	9.96	..	10.00-10.25	6.81	10.44-10.63	10.19-10.31	9.25	..	12.88	574.72	5.29	10.82
1983	9.04	9.31†	9.00	5.50	9.34-9.41	9.25- 9.31	9.87	..	10.80	692.62	4.70	9.58
1984	9.33	10.13	9.50- 9.75	6.25	10.00-10.13	9.81- 9.94	8.62	7.00	10.69	854.87	4.66	10.76
1985	11.49	11.94	11.50	7.86	11.81-11.94	11.69-11.81	7.97	7.58	10.62	1 004.64	4.62	11.48
1986	10.94	11.31	11.00	6.92	11.31-11.34	11.00-11.13	6.31	5.94	9.87	1 287.11	4.25	10.16
1987	8.38	8.88	8.50	3.58	8.75-9.00	8.81- 8.88	7.25	5.24	9.47	1 600.01	3.73	8.98
1988	12.91	13.19	13.00	5.97	12.69-13.19	12.94-13.00	9.25	4.38	9.36	1 448.73	4.62	11.72
1985 Aug	11.31	11.50†	11.50	7.86	11.50-11.69	11.31-11.44	8.06	8.25	10.37	973.60	4.82	11.88
Sep	11.32	11.38	11.50	7.86	11.50-11.56	11.31-11.44	8.12	7.01	10.39	1 002.83	4.73	11.61
Oct	11.45	11.50	11.50	7.86	11.56-11.69	11.38-11.50	8.00	7.00	10.22	1 034.23	4.64	11.35
Nov	11.33	11.50	11.50	7.86	11.56-11.63	11.38-11.50	8.19	7.00	10.37	1 099.30	4.40	10.87
Dec	11.49	11.94	11.50	7.86	11.81-11.94	11.69-11.81	7.97	7.00	10.45	1 113.88	4.45	11.04
1986 Jan	12.47	12.75	12.50	8.78	11.81-11.94	12.69-12.81	8.00	7.00	10.80	1 127.58	4.43	10.89
Feb	12.21	12.25	12.50	8.78	12.25-12.38	12.13-12.38	7.75	7.00	10.40	1 220.80	4.27	10.32
Mar	11.04	11.25	11.50	7.74	11.13-11.31	11.19-11.31	7.34	7.00	9.39	1 348.97	4.00	9.55
Apr	10.09	10.38	10.50	6.54	10.25-10.38	10.19-10.31	6.81	6.01	8.76	1 391.12	3.87	9.49
May	9.56	9.75	10.00	6.54	9.69-9.94	9.63- 9.75	7.09	6.00	9.00	1 331.60	4.10	10.20
Jun	9.52	9.75	10.00	6.54	9.75-9.88	9.66- 9.72	6.81	5.25	9.23	1 332.13	4.14	10.03
Jul	9.76	9.88	10.00	6.08	9.88-10.00	9.75- 9.88	6.44	5.25	9.37	1 309.62	4.21	10.14
Aug	9.56	9.81	10.00	6.08	9.81-9.94	9.63- 9.75	5.62	5.25	9.41	1 282.13	4.37	10.56
Sep	9.93	10.38	10.00	6.08	10.50-10.69	10.44-10.56	6.06	5.25	9.97	1 286.23	4.31	9.91
Oct	10.85	10.94	11.00	6.92	11.60-11.25	11.00-11.13	5.87	5.25	10.62	1 262.33	4.42	10.16
Nov	10.96	11.38	11.00	6.92	11.38-11.44	11.19-11.25	6.06	5.99	10.80	1 289.25	4.41	10.21
Dec	10.94	11.31	11.00	6.92	11.00-11.13	11.00-11.13	6.31	5.99	10.69	1 283.58	4.45	10.50
1987 Jan	10.85	11.00	11.00	6.92	11.00-11.13	10.88-11.00	6.19	5.99	10.09	1 392.63	4.12	9.68
Feb	10.46	10.75	11.00	6.92	10.69-10.81	10.69-10.75	6.37	5.99	9.83	1 529.60	3.72	8.72
Mar	9.54	9.87	10.00	5.60	9.69-9.81	9.63- 9.66	6.56	5.99	9.16	1 596.26	3.67	8.48
Apr	9.39	9.63	10.00	5.54	9.56-9.75	9.63- 9.69	7.06	5.99	9.12	1 554.78	3.77	8.58
May	8.68	8.75	9.00	4.69	8.81-8.94	8.69- 8.81	7.25	5.03	8.82	1 674.07	3.44	8.23
Jun	8.96	9.13	9.00	4.69	9.06-9.13	8.97- 9.03	7.12	5.00	8.90	1 759.78	3.25	7.83
Jul	9.14	9.25	10.00	4.69	9.19-9.44	9.03- 9.06	6.94	4.99	9.23	1 855.23	3.10	7.52
Aug	10.12	10.38	10.00	4.95	10.13-10.50	10.13-10.19	7.12	4.99	9.92	1 757.59	3.28	8.11
Sep	10.02	10.06	10.00	4.95	10.13-10.25	10.00-10.13	8.31	4.99	9.98	1 801.84	3.26	7.98
Oct	9.07	9.19	9.50	4.61	9.19-9.31	9.06- 9.19	7.62	4.99	9.88	1 645.30	3.75	9.22
Nov	8.67	8.88	9.00	4.12	8.88-9.03	8.78- 8.84	7.88	4.93	9.20	1 296.04	4.78	11.83
Dec	8.38	8.88	8.50	3.58	8.75-9.00	8.81- 8.88	7.25	4.02	9.57	1 337.02	4.67	11.58
1988 Jan	8.38	8.69	8.50	3.58	8.69-8.75	8.66- 8.72	6.81	4.00	9.57	1 419.37	4.39	11.02
Feb	9.01	9.25	9.00	4.04	9.19-9.63	9.13- 9.25	6.88	4.00	9.38	1 397.56	4.48	11.16
Mar	8.48	8.63	8.50	3.53	8.56-8.75	8.59- 8.66	6.81	4.00	9.12	1 446.73	4.48	11.37
Apr	7.98	8.50	8.00	2.92	8.25-8.50	8.38- 8.44	7.25	4.00	9.12	1 421.19	4.57	11.89
May	7.28	7.63	7.50	2.43	7.56-7.75	7.50- 7.56	7.68	3.51	9.27	1 427.45	4.59	11.86
Jun	9.24	8.88	9.00	3.07	8.94-9.44	9.06- 9.13	7.88	3.49	9.32	1 470.13	4.51	11.56
Jul	10.53	10.75	10.50	4.52	10.63-10.94	10.56-10.63	8.31	3.49	9.51	1 488.92	4.52	11.47
Aug	11.82	11.88	12.00	4.93	11.31-12.25	11.88-11.94	8.50	4.69	9.47	1 474.30	4.61	11.67
Sep	11.72	11.88	12.00	5.43	11.75-12.19	11.81-11.88	8.63	4.70	9.60	1 429.22	4.80	12.11
Oct	11.84	12.00	12.00	5.43	12.00-12.25	12.00-12.60	8.56	5.57	9.23	1 493.35	4.65	11.71
Nov	12.98	12.75	13.00	5.43	12.13-13.00	13.00-13.03	9.31	5.57	9.30	1 478.12	4.78	12.00
Dec	12.91	13.19	13.00	5.97	12.69-13.19	12.94-13.00	9.25	5.59	9.46	1 438.44	5.08	12.84
1989 Jan	12.70	12.81	13.00	5.97	13.00-13.13	12.94-13.19	9.31	5.87†	9.35	1 543.53	4.76	11.96
Feb	12.91†	13.00	13.00	5.97†	12.94-13.19	12.94-13.06	10.25†	..	9.15†	1 676.22†	4.37†	10.90†

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.

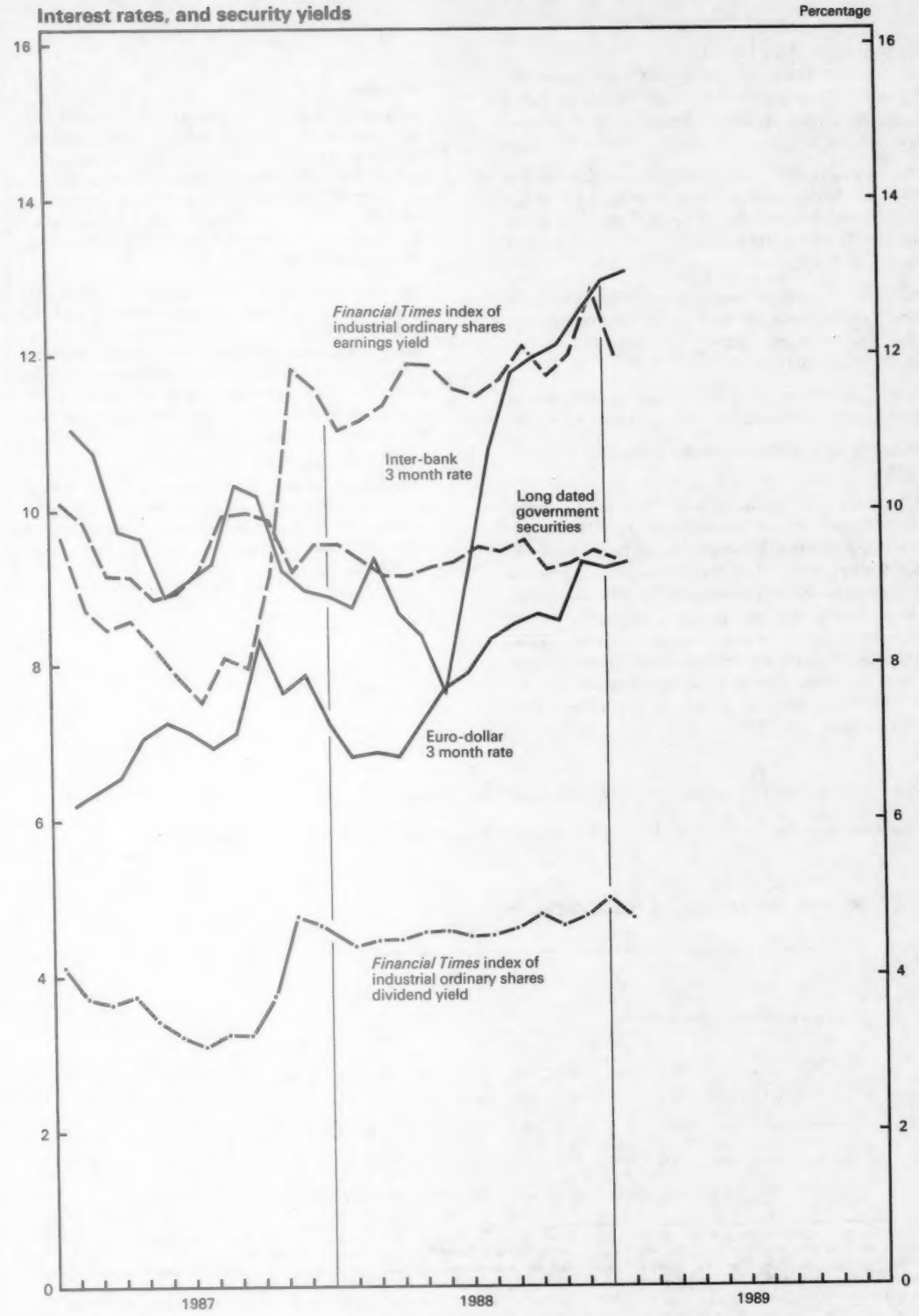
2 For a minimum term of 3 months and thereafter at 7 days' notice.

3 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.

4 The series comprises a weighted average of basic rates offered by the largest societies. The rates are net of income tax where this is paid by societies at the agreed composite rate.

5 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see *Financial Statistics Explanatory Handbook*.

Sources: Central Statistical Office; Bank of England; HM Treasury; Building Societies Commission; Financial Times; Institute of Actuaries; Faculty of Actuaries


Interest rates, and security yields
Percentage
16
14
12
10
8
6
4
2
0
Financial Times index of industrial ordinary shares earnings yield
Inter-bank 3 month rate
Long dated government securities
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1987
1988
1989

Cyclical indicators for the UK economy

Recent movements of the indices

First estimates of the longer leading index to February and the lagging index to January are now available. The shorter leading and coincident indices, available to January, contain additional information.

The highly provisional longer leading index for February rose compared with January, reflecting some recovery in share prices and slightly lower interest rates. The path of the index is now upwards over the most recent few months, reflecting the effect of revised data for housing starts.

The January value of the shorter leading index shows a fall compared with December. The index has declined continuously since July 1988, influenced mainly by a reduction in the growth of new consumer credit.

The coincident index, which incorporates full GDP data for the fourth quarter of 1988, has a declining path since early 1988.

The lagging index continues to show a broadly flat path since May 1988.

The interpretation of the indices since 1981 is that they could show a cyclical peak in economic activity in early 1985. There may have been a mild trough in 1986, although the decline in the indices before their renewed growth is less marked than previous cyclical movements, especially those seen in the 1970s. The decline in the longer leading index until the end of 1988 and the current declines in the shorter leading and coincident indices are broadly consistent with a slowdown in the rate of economic growth. Recent values of the indices are, however, particularly subject to revision as more information becomes available so any interpretation remains provisional.

Definitions

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is a economic rationale to account for this relationship.

A composite index for each group of indicators series is formed by subtracting from each series the value of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing and scaling them to give cycles of similar amplitude, and inverting them where appropriate.

Information included in Table A below is based on monthly and quarterly data available to 22 March.

Precise details on data availability for each of the component series used in the compilation of the indicators is shown in Table B.

Table A - Recent movements of the indicators

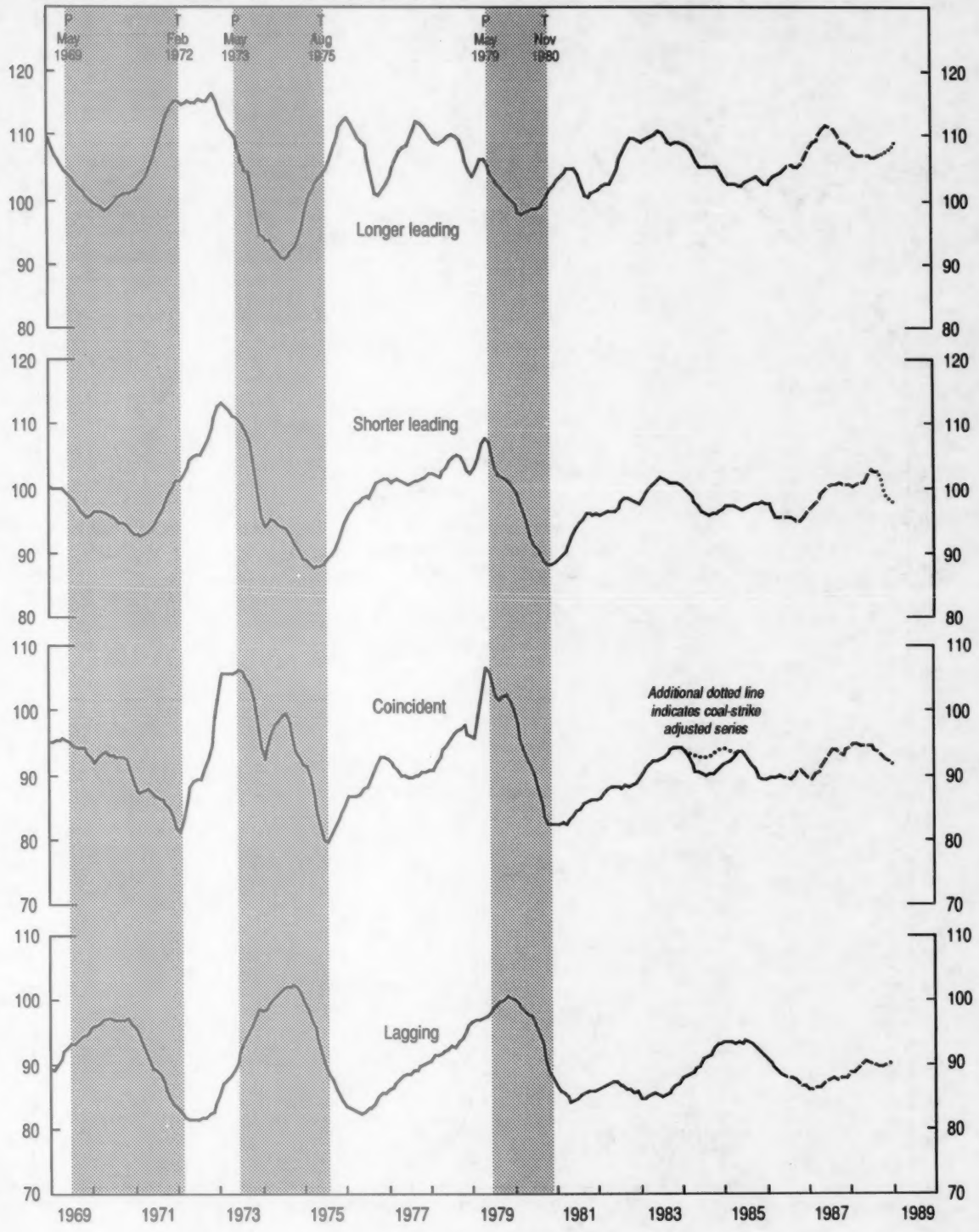
	Most recent values January 1980=100													Lead (-) or lag (+) in months relative to reference cycle dates		
	1988											1989				
	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mean	Earliest	Latest
Longer leading	107.9	107.3	106.8	106.8	106.9	106.8	106.7	106.6	107.0	107.2	107.4	107.7	108.6	−12	−21	−5
	5	5	5	5	5	5	5	5	4	4	4	4	2			
Shorter leading ..	100.3	100.4	100.7	100.8	101.9	102.8	102.6	102.4	101.3	99.0	98.4	97.7		−5	−12	0
	5	5	5	5	5	5	5	5	4	4	4	2				
Coincident	94.9	94.7	94.7	94.6	94.6	94.4	93.9	93.5	93.0	92.6	92.1	91.5		0	−7	+5
	7	7	7	7	7	7	7	7	7	7	7	4				
Lagging	88.9	89.5	89.9	90.7	90.3	90.3	90.2	90.1	90.0	90.5	90.6	90.8		+10	+1	+17
	5	5	5	5	5	5	5	5	5	5	5	3				

1 A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February May, August and November issues, a further ten pages showing individual indicator series.

2 In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revisions each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in the calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO: 01-270 5966.

Cyclical indicators

Composite indices of indicator groups.January 1980=100

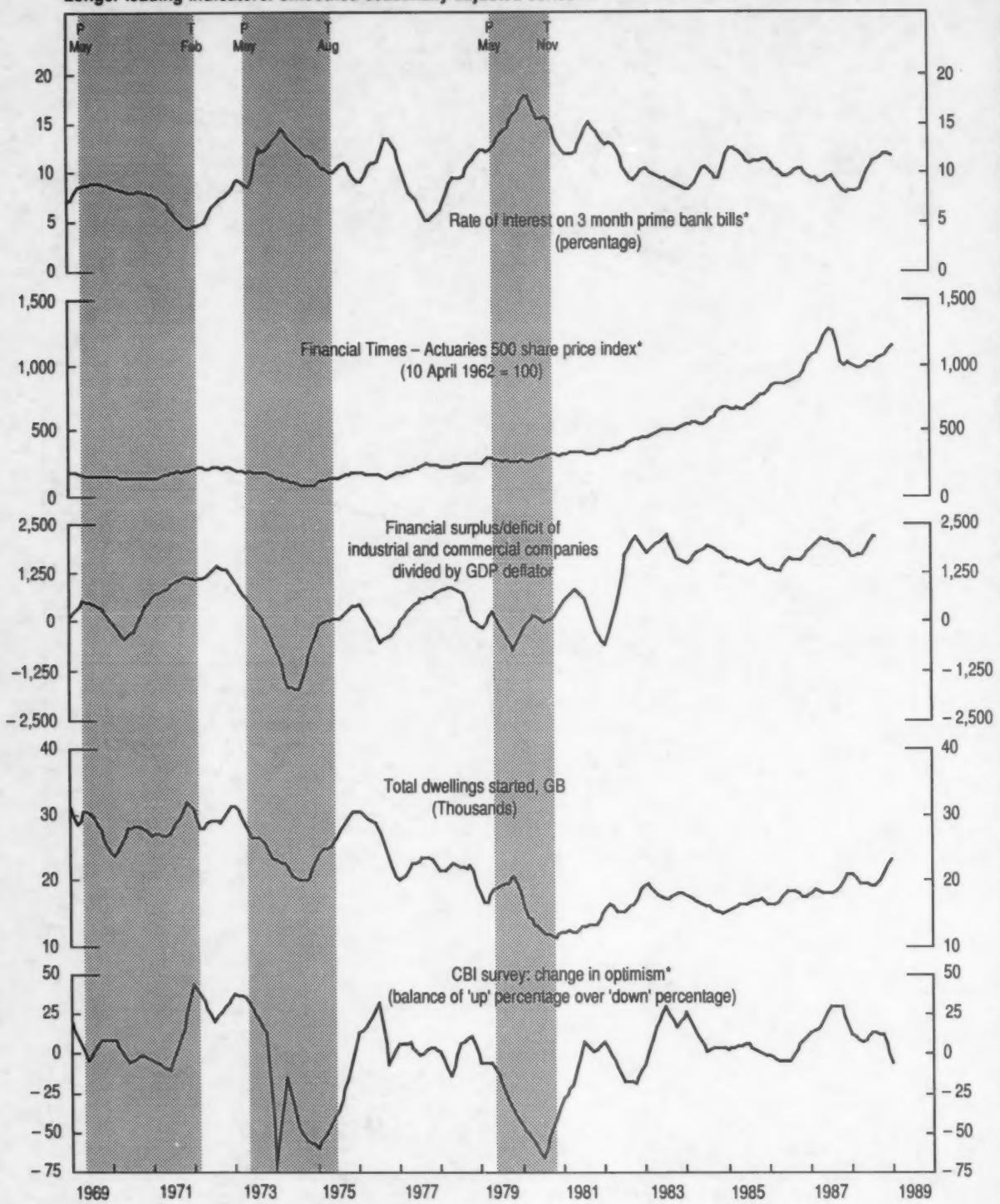


Subject to revision due to trend re-estimation

Based on incomplete data

Cyclical indicators by timing classification

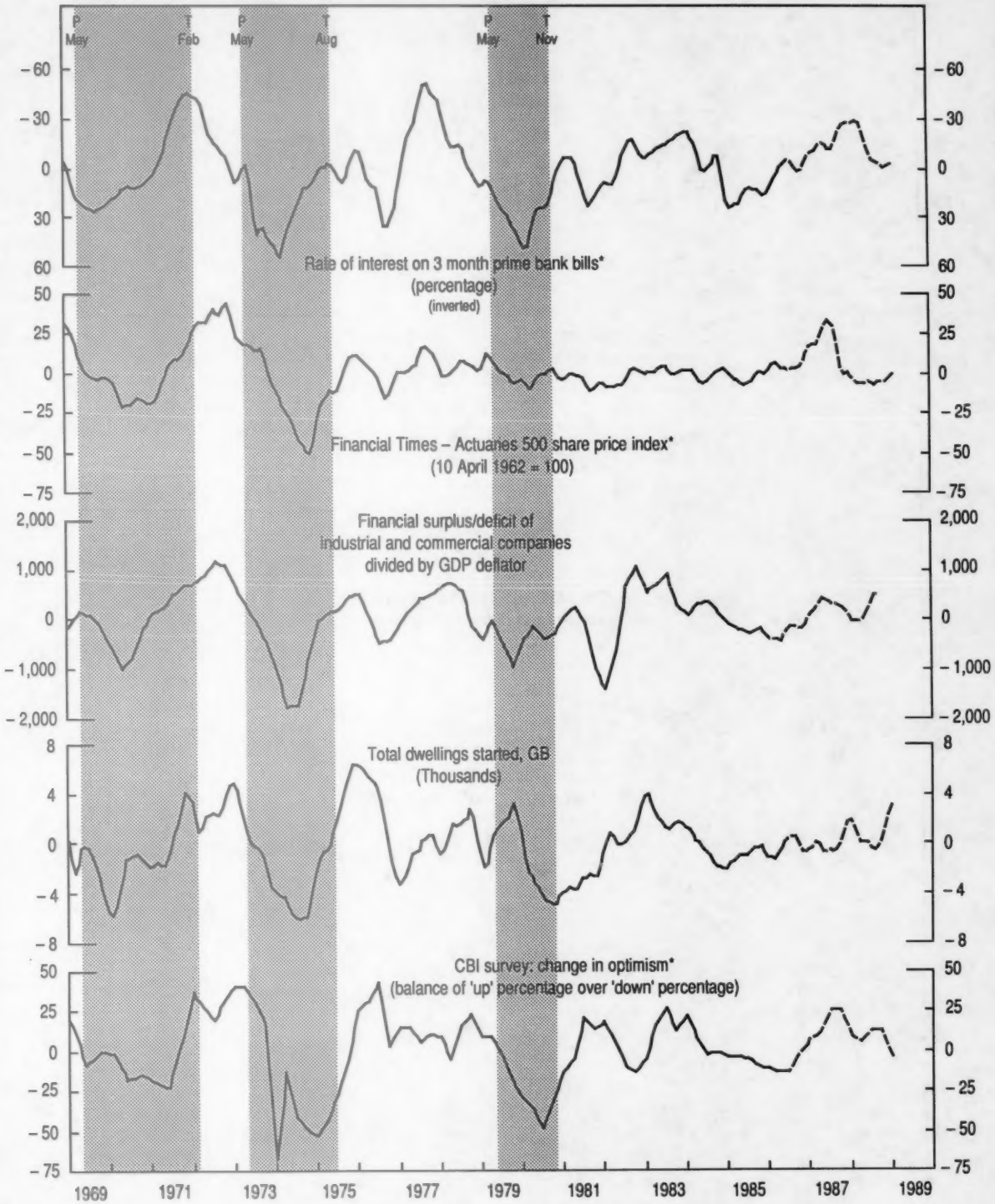
Longer leading indicators. Smoothed seasonally adjusted series



*Seasonally adjusted by the CSO

Cyclical indicators by timing classification

Longer leading indicators. Smoothed trend-eliminated series

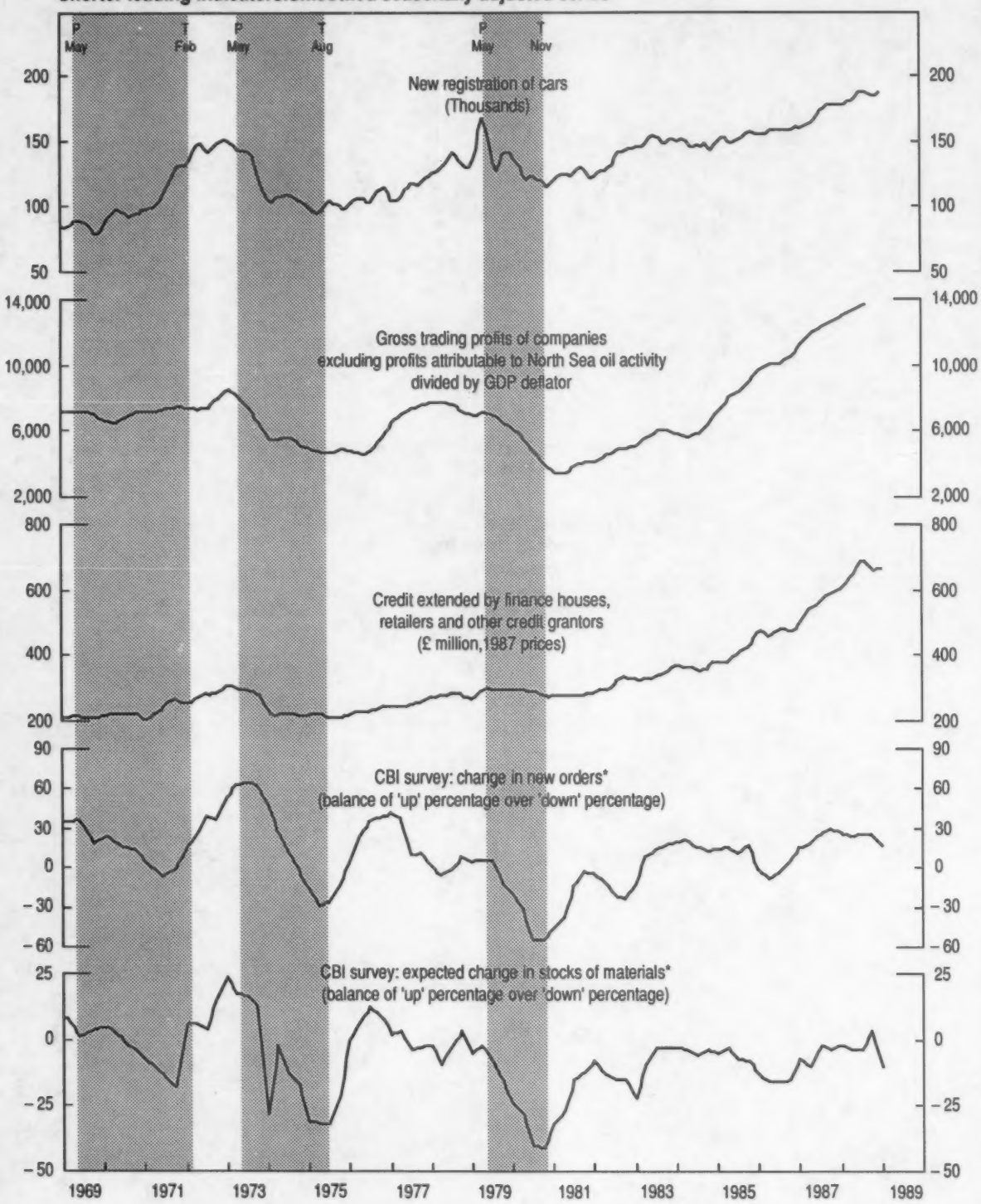


*Seasonally adjusted by the CSO

——— Subject to revision due to trend re-estimation

Cyclical indicators by timing classification

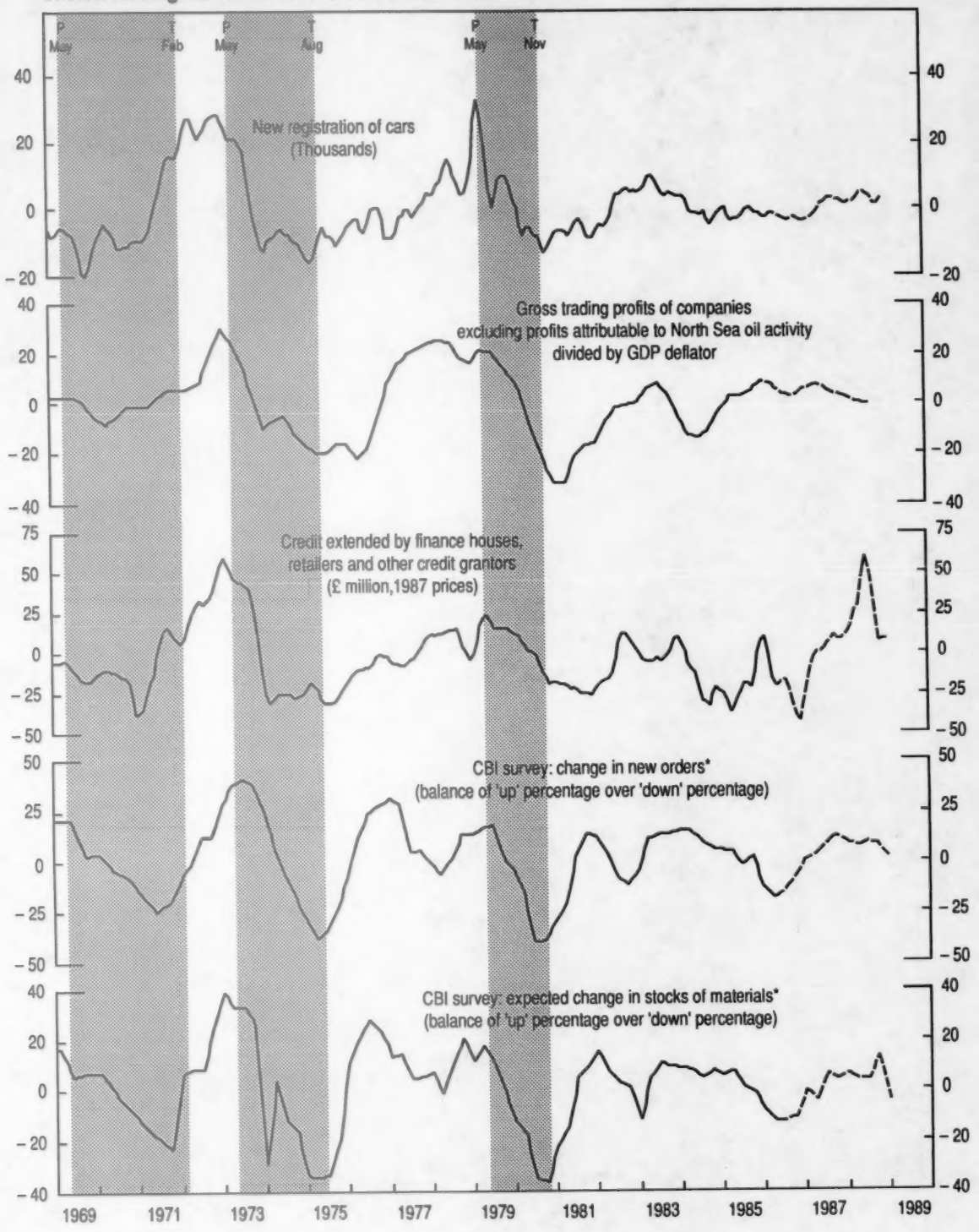
Shorter leading indicators.Smoothed seasonally adjusted series



*Seasonally adjusted by the CSO

Cyclical indicators by timing classification

Shorter leading indicators.Smoothed trend-eliminated series

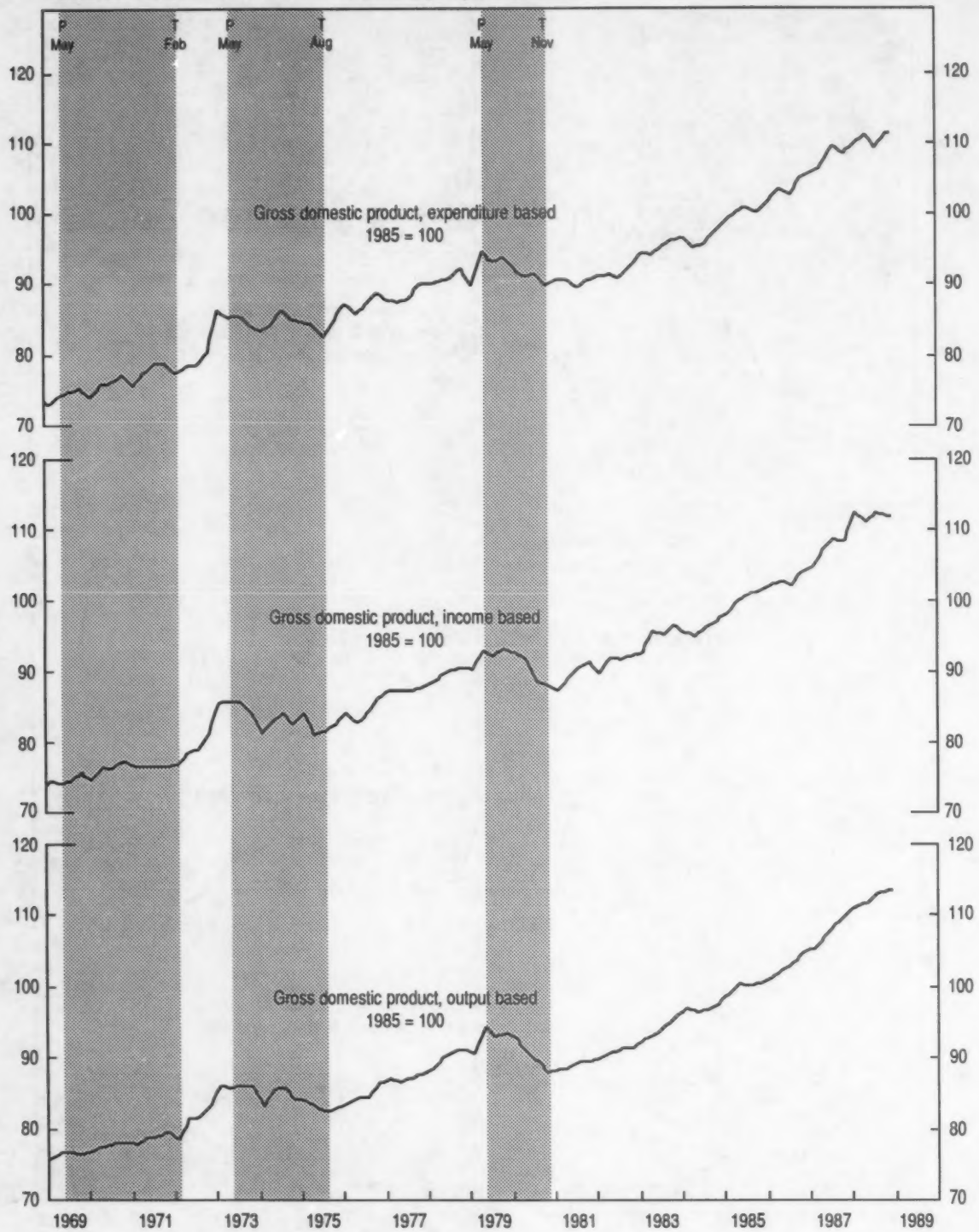


*Seasonally adjusted by the CSO

—— Subject to revision due to trend re-estimation

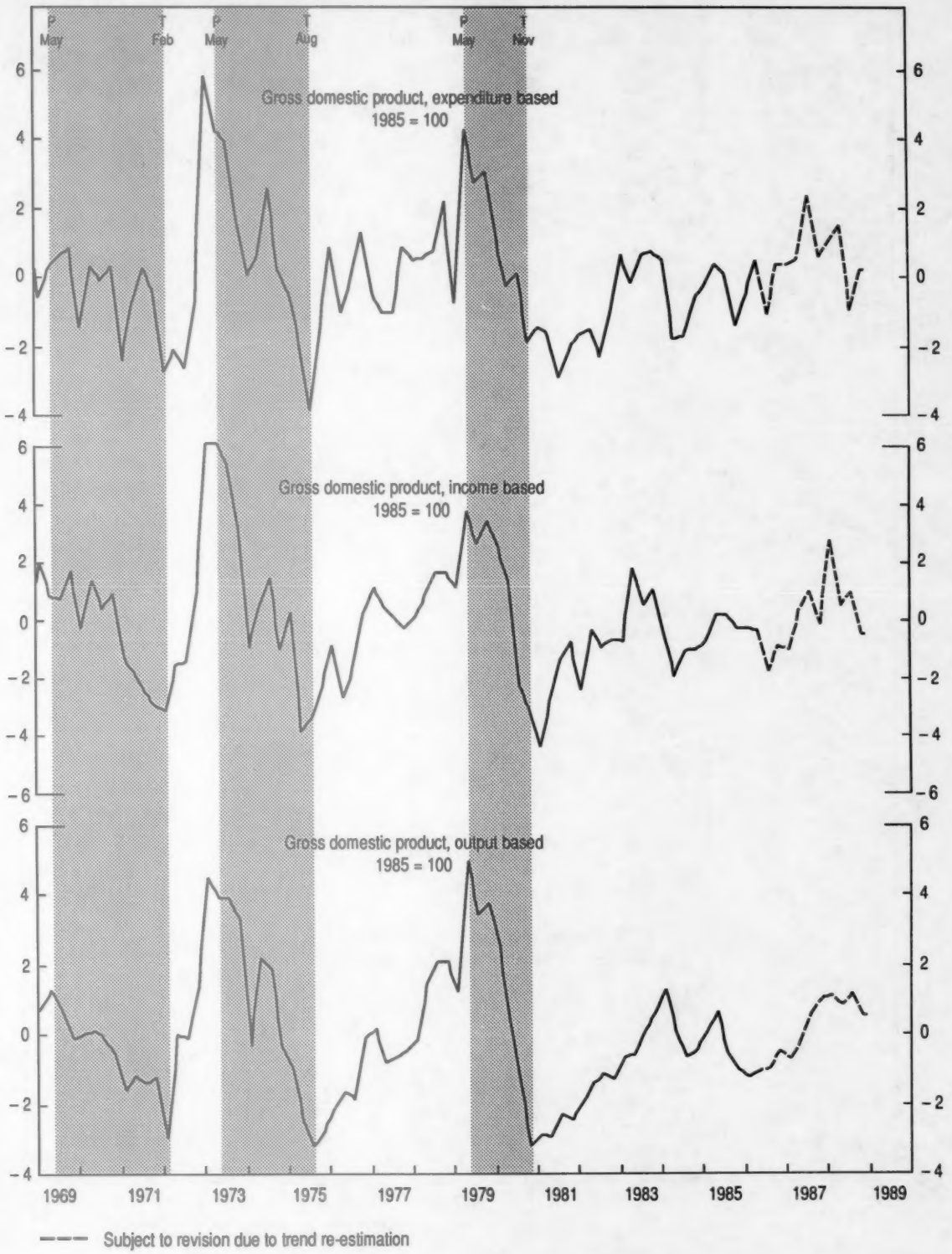
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



Cyclical indicators by timing classification

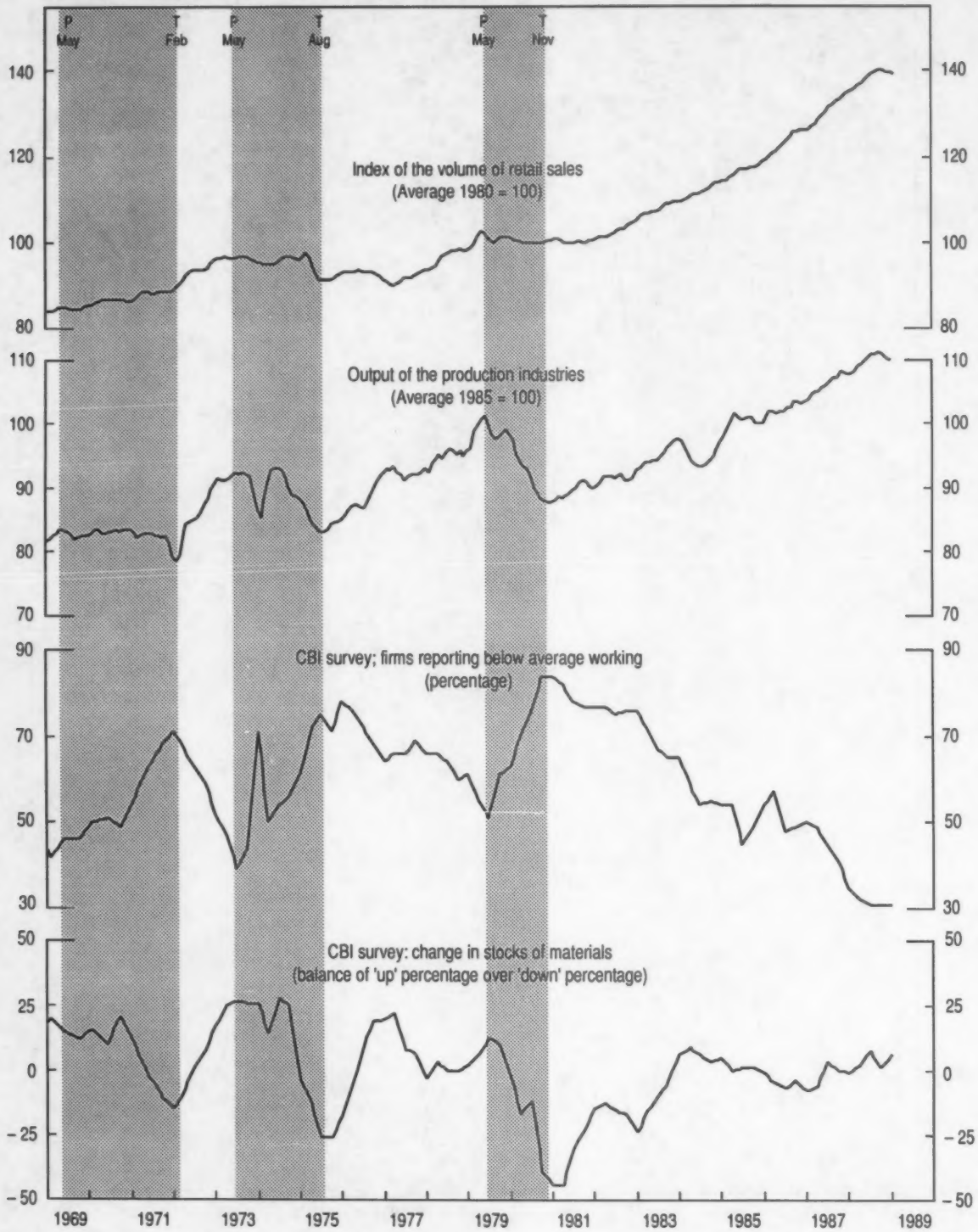
Coincident indicators. Smoothed trend-eliminated series



Subject to revision due to trend re-estimation

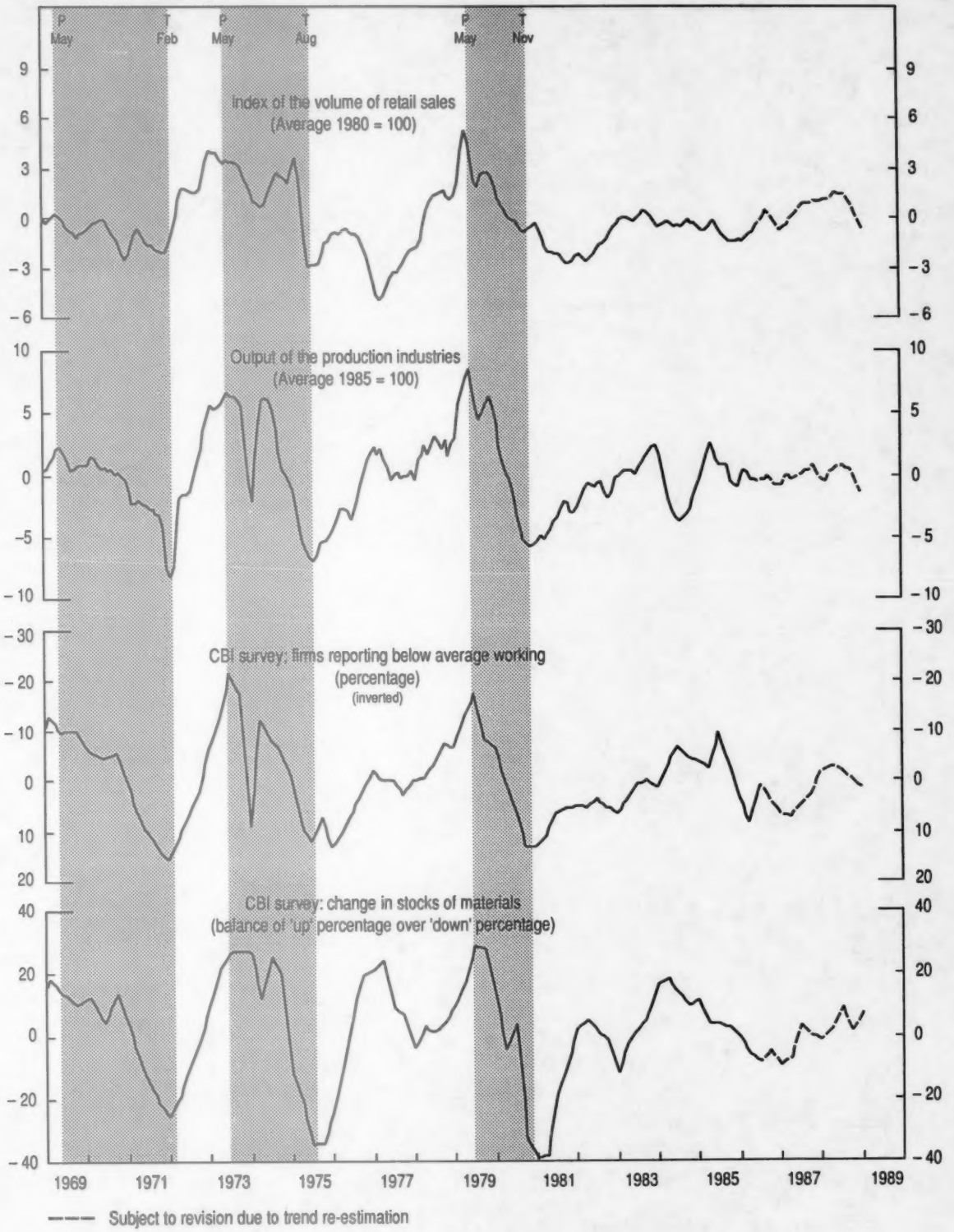
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



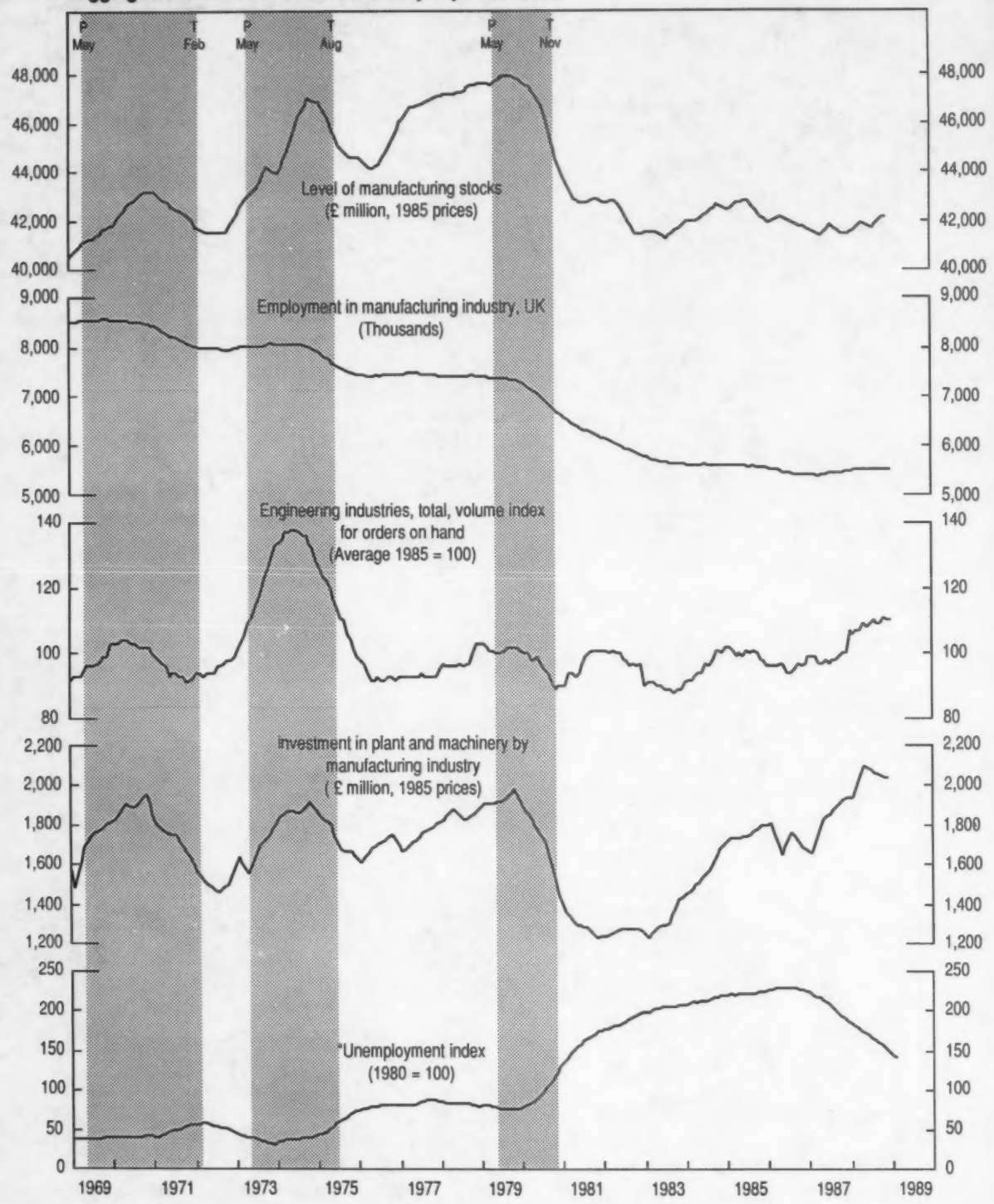
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



Cyclical indicators by timing classification

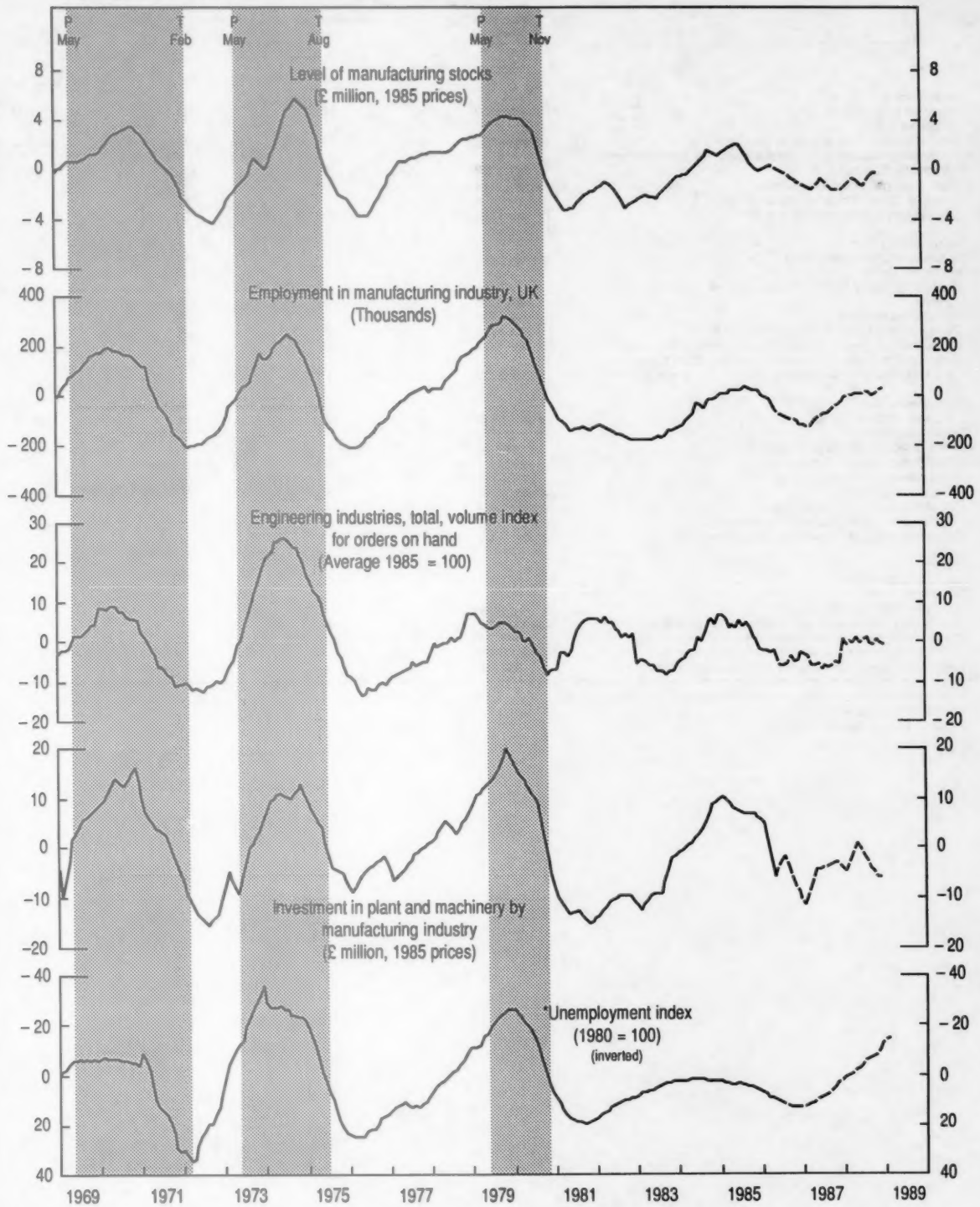
Lagging indicators. Smoothed seasonally adjusted series



*Adjusted for changes in the average of the count

Cyclical indicators by timing classification

Lagging indicators. Smoothed trend-eliminated series



*Adjusted for changes in the average of the count

—— Subject to revision due to trend re-estimation

Table B - The indicators: their timing characteristics and data availability

	Latest data included	Timing relative to reference cycle dates[1] (-) leads (+) lags months		
		Average (mean)	Earliest	Latest
Indicators				
Longer leading				
Composite longer leading index	February 1989	-12	-21	- 5
Component series:				
Rate of interest, 3 months prime bank bills[2]	February 1989	-17	-28	-11
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator	1988 Q3	-15	-21	- 9
Total dwellings started, Great Britain	January 1989	-10	-25	+ 6
Financial Times - Actuaries 500 share index[2,3]	February 1989	- 9	-20	- 4
CBI quarterly survey: change in optimism[2]	January 1989	-10	-19	- 4
Shorter leading				
Composite shorter leading index	January 1989	- 5	-12	0
Component series:				
Credit extended by finance houses, retailers and other credit grantors	January 1989	- 6	-15	+ 3
New car registrations	January 1989	- 7	-26	0
CBI quarterly survey: change in new orders[2]	January 1989	- 8	-28	+ 2
CBI quarterly survey: expected change in stocks of materials[2]	January 1989	- 5	-15	- 2
Gross trading profits of companies,excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator	1988 Q3	- 6	-18	0
Roughly coincident				
Composite coincident index	January 1989	0	- 7	+ 5
Component series:				
Gross domestic product (expenditure)	1988 Q4	+ 1	- 9	+10
Gross domestic product (output)	1988 Q4	- 2	- 7	+ 1
Gross domestic product (income)	1988 Q4	+ 1	- 3	+ 5
Volume of retail sales	January 1989	- 3	-15	+ 6
Output of the production industries	January 1989	- 1	- 4	+ 2
CBI quarterly survey: capacity utilisation	January 1989	+ 2	- 3	+ 7
CBI quarterly survey: change in stocks of raw materials	January 1989	-1	- 6	+ 8
Lagging				
Composite lagging index	January 1989	+10	+ 1	+17
Component series:				
Adult unemployment index[3]	January 1989	+ 6	- 1	+14
Total employment in manufacturing industries United Kingdom	January 1989	+ 8	- 1	+15
Investment in plant and machinery, manufacturing industry	1988 Q4	+11	+ 6	+18
Engineering industries, volume index for orders on hand	January 1989	- 7	- 4	+15
Level of stocks and work in progress, manufacturing industry	1988 Q4	+11	0	+20

1 Assessed on performance up to last identified trough, November 1980.
2 Seasonally adjusted by CSO.
3 Adjusted for changes in coverage.

Source: Central Statistical Office

Measures of variability of selected economic series[1]

	Table	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1980 prices								
GDP, factor cost								
Expenditure-based	2	1st quarter 1970 to 2nd quarter 1987	*1.4*	*0.9*	*0.9*	1.1	2	0.4
Income-based	2	1st quarter 1970 to 2nd quarter 1987	*1.2*	*0.8*	*0.9*	0.9	1	0.9
Output-based	2,17	1st quarter 1970 to 2nd quarter 1987	*1.0*	*0.5*	*0.8*	0.7	1	0.7
Average estimate	2	1st quarter 1970 to 2nd quarter 1987	*1.0*	*0.6*	*0.8*	0.8	1	0.8
Consumers' expenditure	3,4,5	1st quarter 1970 to 2nd quarter 1987	*1.2*	*0.7*	*0.9*	0.8	1	0.8
Fixed capital formation								
Total	3,9	1st quarter 1970 to 2nd quarter 1987	*2.2*	*1.6*	*1.4*	1.2	2	0.5
Manufacturing industry	10	1st quarter 1970 to 2nd quarter 1987	*3.4*	*1.7*	*2.5*	0.7	1	0.7
Stockbuilding[2]								
Total	3,13	1st quarter 1970 to 2nd quarter 1987	*421.7*	*293.8*	*236.9*	1.2	2	0.5
Manufacturing	13	1st quarter 1970 to 2nd quarter 1987	*273.8*	*163.6*	*163.2*	1.0	2	0.5
Exports: goods and services	3	1st quarter 1970 to 2nd quarter 1987	*2.9*	*2.2*	*1.7*	1.3	2	0.5
Imports: goods and services	3	1st quarter 1970 to 2nd quarter 1987	*3.3*	*2.4*	*2.1*	1.1	2	0.4
Real personal disposable income	4	1st quarter 1970 to 2nd quarter 1987	*1.6*	*1.1*	*1.1*	1.1	2	0.3
Other national income series								
Gross trading profits of industrial and commercial companies	34	1st quarter 1970 to 2nd quarter 1987	*6.1*	*2.9*	*4.6*	0.6	1	0.6
Other quarterly series								
Construction output[3]	18	1st quarter 1970 to 2nd quarter 1987	*2.1*	*1.4*	*1.3*	1.1	2	0.4
Public sector borrowing requirement[4]	32	1st quarter 1970 to 2nd quarter1987	*795.6*	*571.0*	*379.7*	1.5	2	0.8
Personal saving ratio[5]	4	1st quarter 1970 to 2nd quarter 1987	*1.4*	*1.3*	*0.6*	2.0	2	0.6
Monthly series								
Retail sales								
Food retailers	6	January 1971 to February 1987	*0.9*	*0.8*	*0.3*	3.0	4	0.8
Mixed retail businesses	6	January 1971 to February 1987	*2.0*	*1.9*	*0.5*	3.7	4	1.0
Clothing and footwear retailers	6	January 1971 to February 1987	*2.5*	*2.4*	*0.6*	4.1	4	1.0
Household goods retailers	6	January 1971 to February 1987	*2.6*	*2.4*	*0.8*	3.1	4	0.9
Other non-food retailers	6	January 1971 to February 1987	*1.4*	*1.3*	*0.4*	3.4	4	0.9
Cars: new registrations	6	January 1975 to December 1987	*8.2*	*8.2*	*0.8*	10.1	6	
Housing: public authorities[6]								
Starts	12	January 1958 to December 1987	*12.6*	*12.4*	*1.9*	6.5	6	1.2
Completions	12	January 1958 to December 1987	*8.8*	*8.7*	*1.3*	6.6	6	1.1
Housing: private[6]								
Starts	12	January 1958 to December 1987	*9.8*	*9.6*	*1.8*	5.3	6	1.0
Completions	12	January 1958 to December 1987	*6.2*	*6.2*	*1.0*	6.5	6	1.1
Index of industrial production:								
Production industries	1,16,17	January 1973 to October 1986	*1.2*	*1.0*	*0.5*	2.3	3	1.0
Manufacturing industries	16,17	January 1973 to October 1986	*1.3*	*1.2*	*0.4*	2.7	4	0.8
Passenger car production:								
Home market	19	January 1976 to December 1986	*12.2*	*12.0*	*1.8*	6.8	6	1.4
Export	19	January 1976 to December 1986	*15.2*	*14.6*	*2.6*	5.7	6	1.1
Commercial vehicle production:								
Home market	19	January 1976 to December 1986	*10.9*	*9.7*	*3.1*	3.1	4	0.9
Export	19	January 1976 to December 1986	*10.1*	*9.3*	*2.7*	3.4	5	0.8
Unemployed males - excluding school leavers[7]	1,21	January 1971 to October1986	*15.5*	*4.5*	*14.4*	0.3	1	0.3
Unemployed females - excluding school leavers[7]	1,21	January 1971 to October 1986	*6.0*	*1.7*	*5.6*	0.3	1	0.3
Vacancies unfilled at job centres[7]	1,21	April 1978 to September 1986	*4.2*	*1.8*	*3.5*	0.5	1	0.5
Average earnings: whole economy	23	January 1976 to December 1982	*1.0*	*0.3*	*1.0*	0.3	1	0.3
Exports: value, f.o.b.[8]	27	January 1980 to September 1988	*3.2*	*3.0*	*1.0*	2.9	2	0.9
Imports: value, f.o.b.[8]	27	January 1980 to September 1988	*4.0*	*3.5*	*1.5*	2.4	2	0.9
Money stock - £M3[9]	1,29	January 1980 to March 1985	*1.2*	*0.8*	*1.1*	0.7	1	0.7

1 For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No 226, August 1972.
The following are brief definitions of the measures.
$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.
$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.
$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes 2,4,6 and 8.
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

2 The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present, seasonal adjustment of the published stocks series is performed multiplicatively on the level of stocks.

3 Series relates to Great Britain.

4 The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

5 The figures in the tables were obtained from an additive analysis of the personal saving ratio so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in percentage points.

6 Series relate to Great Britain, though variability measures calculated from England and Wales component.

7 Series relate to Great Britain and may be found in Tables 2.2 and 3.2 of *Employment Gazette*.
The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

8 The figures have been updated as described in an article in *Economic Trends*, No 320, June 1980.

9 Although £M3 **flows** are seasonally adjusted **additively**, the figures above for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ for **levels** are presented as percentages of the level of the trend in the preceding month.

Source: Central Statistical Office

United Kingdom Balance of Payments: preliminary figures for the fourth quarter and year 1988

Preliminary figures for the United Kingdom balance of payments account in 1988 are now available, together with revised figures for earlier years. The current account is estimated to have been in deficit by £14.7 billion. So far, estimates of net transactions in assets and liabilities, which should (with the sign reversed) equal the current balance, imply a net capital outflow of £0.6 billion. There are therefore errors and omissions of net inflows over the current and capital accounts as a whole of £15.2 billion — the balancing item. This follows revised balancing items of £12.4 billion and £13.7 billion in 1987 and 1986 (Table A1).

This persistence of large positive balancing items inevitably throws doubt on the quality of the figures in the accounts over the last few years. This must be borne in mind when interpreting the figures. Although there are grounds (see note) for believing that the balancing item largely reflects errors and omissions in the measurement of transactions in assets and liabilities, there remains the possibility that net current account inflows are being underestimated.

The preliminary figures indicate that the UK current account was in deficit by £5.5 billion (seasonally adjusted) in the fourth quarter of 1988, following a deficit of £3.4 billion in the third quarter. For 1988 as a whole the deficit of £14.7 billion compares with revised estimates showing a deficit of £2.9 billion in 1987 and a surplus of £0.2 billion in 1986 (Table A1).

Visible trade was in deficit in the fourth quarter by £6.3 billion, £0.6 billion more than in the preceding quarter. For 1988 as a whole there was a deficit of £20.6 billion compared with deficits of £10.2 billion in 1987 and £8.7 billion in 1986 (Tables A1 and A2).

The preliminary figures for invisible transactions in the fourth quarter show a surplus of £0.8 billion, sharply down on the surplus of £2.3 billion in the third. The main factor contributing to the fall was a temporary shift in the timing of transactions with the European Community (see below). The estimated invisible surplus for the whole of 1988 is £5.9 billion, compared with revised surpluses of £7.3 billion and £8.9 billion in 1987 and 1986 respectively. It must be stressed that figures for invisible transactions, particularly for the most recent quarters, are liable to substantial revisions as later information becomes available (Table A1).

Between the third and fourth quarters there was a decrease of £0.1 billion in the surplus on visible trade in oil. For 1988 overall the surplus on oil was £2.3 billion, well below the surpluses of £4.2 billion and £4.1 billion recorded in 1987 and 1986 respectively (Table A2).

The preliminary estimates for the fourth quarter put the net credit on services at £0.7 billion, down from £1.0 billion in the preceding quarter (Table A5). Net investment earnings (ie of interest, profits and dividends) estimated at £1.6 billion, are similar to the third quarter estimate (Table A6). Net transfer payments overseas are put at £1.4 billion, compared with only £0.2 billion in the third quarter (Table A7).

The estimated surplus on trade in services in 1988, £3.5 billion, compares with £5.3 billion in 1987 and £5.6 billion in 1986. The deficit on the travel account was £2.0 billion in 1988 compared with £1.0 billion in 1987 and £0.5 billion in 1986. Net earnings on financial and other services were £9.1 billion, lower than in 1987 (£9.7 billion) and similar to 1986. The decline between 1987 and 1988 mainly reflected a substantial fall in insurance underwriting earnings (measured by overseas premiums *less* claims and expenses). Lower insurance earnings were also a significant factor behind the fall in earnings from services in the fourth quarter, although the government and civil aviation accounts also recorded significant adverse movements (Table A5).

The preliminary estimate of the balance on interest, profits and dividends in 1988 is £6.0 billion comapred with £5.4 billion in both 1987 and 1986. Earnings on UK direct investment overseas rose by £1.3 billion between 1987 and 1988. There was an increase of £0.2 billion in earnings due on total overseas investment in the UK but the earnings of overseas oil companies in the UK fell by £1.0 billion. Payments on overseas portfolio investment in the UK rose by £0.7 billion between 1987 and 1988, following an increase of £0.8 billion between 1986 and 1987. Overseas earnings on the currency reserves rose from £0.8 billion in 1987 to £1.3 billion in 1988 (Table A6).

The deficit on transfers in 1988 was £3.6 billion. This compares with £3.5 billion in 1987 and £2.1 billion in 1986. There was a deficit on UK government transfers with European Community institutions in the fourth quarter of 1988 of £0.8 billion compared with a surplus of £0.3 billion in the third quarter. These figures reflect the timing of transactions following the implementation of the 1988 community budget in July and payments under an inter-governmental agreement in the fourth quarter (Table A7).

Although figures for transactions in external assets and liabilities are not yet complete for the fourth quarter (most of the transactions between the UK non-bank private sector and banks overseas are not yet known) a net outflow is identified so far for 1988 as a whole (£0.6 billion). Although less than the outflow in 1987 (£9.5 billion), the much larger current account deficit in 1988 means that the balancing item remains at a high level (Table A1 and note).

UK direct investment overseas in 1988, at £14.9 billion was lower than in 1987 (£18.8 billion) and compares with £11.3 billion in 1986. Overseas direct investment in the UK at £7.1 billion in 1988 was down from £8.1 billion in 1987 and compares with £4.8 billion in 1986. Both UK direct investment overseas and overseas investment in the UK in 1987 have been revised upwards in the light of the comprehensive annual inquiry into direct investment. Details of cross-border acquisitions and mergers in the fourth quarter were published in *British Business* on 17 March (Table A9).

Portfolio investment overseas by UK residents in 1988 amounted to £10.9 billion, following net disinvestment of £1.5 billion in 1987 (the latter having been revised downwards substantially in the light of later information from securities dealers). The level of investment in 1988 was, however, well below the figure of £25.6 billion in 1986. The turn-round between 1987 and 1988 mainly reflected the transactions reported by UK non-bank financial institutions, including securities dealers (Table A10).

Portfolio investment in the UK by overseas residents is estimated at £4.1 billion in 1988 compared with £9.7 billion and £8.1 billion in 1987 and 1986 respectively. Between 1987 and 1988 investment in British government stocks fell from £3.9 billion to £0.8 billion and investment in UK companies securities from £6.5 billion to £3.3 billion. Disinvestment in other government securities in the

fourth quarter of 1988 included the redemption of holdings by overseas residents of the US $2.5 billion floating rate notes (Table A10).

Lending and borrowing overseas by UK banks in 1988 produced a net inflow of £14.4 billion compared to net inflows of £2.5 billion in 1987 and £9.9 billion in 1986. In 1988 net foreign currency transactions resulted in an inflow of £5.5 billion (compared with an outflow of £1.4 billion in 1987) and net sterling transactions showed an inflow of £9.0 billion (compared with an inflow of £3.9 billion in 1987) (Table A11).

Additions to the official reserves which amounted to £2.9 billion in 1986 and £12.0 billion in 1987, totalled a further £2.8 billion in 1988. The increase in other external liabilities of general government in the fourth quarter of 1988 include purchases by overseas residents (£0.7 billion) of Treasury Bills denominated in ECU's, which were introduced in the quarter (Table A13).

Revisions

The estimates now incorporate the results of the 1987 annual inquiry into direct investment and associated earnings (summary details of which were published in *British Business* on 10 March) and the 1987 inquiry into the overseas earnings (including underwriting) of insurance companies.

Note

Net transactions in assets and liabilities should, with reversal of sign, equal the (not seasonally adjusted) balance on the current account. In practice, because the information comes from different sources, there is a discrepancy — the balancing item. This mismatch between identified current transactions and their (capital account) financing reflects errors and omissions which are likely, to varying degrees, to affect most entries in the accounts. It has become particularly large in the years since 1984, and probably reflects, in large part, the major changes which have taken place in financial markets over the last 4 years, notably, deregulation. There has been an accompanying upsurge in competition and innovation, a move towards greater use of securities markets for channelling finance, and hedging techniques have come into more widespread use. In these circumstances it is possible that estimates of UK net credits from providing and receiving financial services may have failed to capture fully these activities. Estimates of interest, profits and dividends (IPD) credits and debits may also be incomplete. There is, moreover, considerable scope for deficiencies in recording the capital flows associated with the developments in financial activity, and particularly the shift from intermediation by financial institutions (which in principle can be asked to report statistics with a reasonable degree of confidence) towards financing flows through markets where the ownership of securities is much harder to track. Work is in hand to improve estimates of portfolio investment flows and is showing preliminary signs tending to confirm the belief that this item is particularly weak. To the extent that capital inflows are being understated, it is likely that IPD debits will be understated to some degree. Other gaps in the coverage of the capital account, some of a longstanding nature, include trade credit flows and comprehensive information on the transactions of securities dealers.

Central Statistical Office

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A1 Balance of payments summary

£ million

	Seasonally adjusted						Not seasonally adjusted						
		Invisibles (balance)							UK external assets and liabilities			Allocation of SDRs and gold subscription to IMF	
	Visible trade (balance)	Services	I.P.D.	Transfers	Total	Current balance	Current balance	Capital transfers	Transactions in assets[1]	Transactions in liabilities[1]	Net transactions		Balancing item
	AIMA	AIMC	AIMD	AIME	AIMB	AIMF	AIMG	AAAZ	HEPZ	HEQW	HEQU	AIMI	AASA
1978	-1 593	3 542	806	-1 791	2 557	964	964	-	-4 377	1 506	-2 871	-	1 907
1979	-3 398	3 907	1 205	-2 210	2 902	-496	-496	-	-40 189	39 446	-743	195	1 044
1980	1 353	3 949	-196	-1 984	1 769	3 122	3 122	-	-43 439	39 567	-3 872	180	570
1981	3 350	3 923	1 210	-1 547	3 586	6 936	6 936	-	-50 769	43 398	-7 371	158	277
1982	2 218	2 762	1 446	-1 741	2 467	4 685	4 685	-	-31 405	29 053	-2 352	-	-2 333
1983	-1 075	3 721	2 847	-1 600†	4 968†	3 893†	3 893†	-	-30 171	25 810	-4 361	-	468†
1984	-4 580	3 942†	4 432†	-1 717	6 657	2 077	2 077	-	-32 038	24 289	-7 749	-	5 672
1985	-2 346	5 962	2 747	-3 008	5 701	3 355	3 355	-	-53 284†	43 779†	-9 505†	-	6 150
1986	-8 700†	5 631	5 356	-2 136	8 851	151	151	-	-94 976	81 125	-13 851	-	13 700
1987	-10 173	5 333	5 387	-3 452	7 268	-2 905	-2 905	-	-85 152	75 701	-9 451	-	12 356
1988	-20 557	3 473	6 001	-3 582	5 892	-14 665	-14 665	-†	-51 094	50 532	-562	-†	15 227
1980 Q1	-440	953	-62	-483	408	-32	-351	-	-14 398	13 026	-1 372	180	1 543
Q2	-183	924	-186	-597	141	-42	-303	-	-8 159	7 941	-218	-	521
Q3	865	1 002	-45	-572	385	1 250	1 422	-	-4 698	4 350	-348	-	-1 074
Q4	1 111	1 070	97	-332	835	1 946	2 354	-	-16 184	14 250	-1 934	-	-420
1981 Q1	1 703	1 044	251	-52	1 243	2 946	2 679	-	-15 114	10 815	-4 299	158	1 462
Q2	1 302	971	373	-588	756	2 058	1 724	-	-8 534	6 055	-2 479	-	755
Q3	33	948	281	-671	558	591	681	-	-13 849	13 141	-708	-	27
Q4	312	960	305	-236	1 029	1 341	1 852	-	-13 272	13 387	115	-	-1 967
1982 Q1	336	881	88	125	1 094	1 430	1 152	-	-11 599	11 375	-224	-	-928
Q2	221	694	423	-743	374	595	135	-	-38	1 247	1 209	-	-1 344
Q3	626	530	402	-647	285	911	963	-	-18 416	16 483	-1 933	-	970
Q4	1 035	657	533	-476	714	1 749	2 435	-	-1 352	-52	-1 404	-	-1 031
1983 Q1	-116†	1 004†	815	51†	1 870†	1 754†	1 493†	-	-10 721	8 468	-2 253	-	760†
Q2	-459	928	361	-676	613	154	-366	-	-193	508	315	-	51
Q3	-21	838	1 003	-419	1 422	1 401	1 414	-	-11 469	11 885	416	-	-1 830
Q4	-479	951	668	-556	1 063	584	1 352	-	-7 788	4 949	-2 839	-	1 467
1984 Q1	-287	1 036	895†	-306	1 625	1 338	878	-	-14 097	13 048	-1 049	-	171
Q2	-1 195	869	871	-645	1 095	-100	-665	-	-8 905	6 949	-1 956	-	2 621
Q3	-1 336	1 005	965	-633	1 337	1	201	-	-599	-563	-1 162	-	961
Q4	-1 762	1 032	1 701	-133	2 600	838	1 663	-	-8 437	4 855	-3 582	-	1 919
1985 Q1	-1 747	1 305	907	-807	1 405	-342	-660	-	-17 270†	13 162†	-4 108†	-	4 768
Q2	48	1 568	665	-643	1 590	1 638	984	-	-6 863	5 456	-1 407	-	423
Q3	-287	1 843	800	-866	1 577	1 290	1 428	-	-16 075	9 859	-6 216	-	4 788
Q4	-360	1 446	375	-692	1 129	769	1 603	-	-13 076	15 302	2 226	-	-3 829
1986 Q1	-1 658	1 513	1 053	64	2 630	972	687	-	-15 539	12 912	-2 627	-	1 940
Q2	-1 664	1 311	1 281	-531	2 061	397	-137	-	-15 977	11 533	-4 444	-	4 581
Q3	-2 780	1 336	1 505	-808	2 033	-747	-800	-	-43 227	42 138	-1 089	-	1 889
Q4	-2 598	1 471	1 517	-861	2 127	-471	401	-	-20 233	14 542	-5 691	-	5 290
1987 Q1	-1 467	1 445	1 512	-785	2 172	705	400	-	-17 792	16 683	-1 109	-	709
Q2	-2 402	1 385	1 326	-754	1 957	-445	-814	-	-26 249	24 353	-1 896	-	2 710
Q3	-2 981	1 473	1 401	-1 000	1 874	-1 107	-1 261	-	-27 309	21 348	-5 961	-	7 222
Q4	-3 323	1 030	1 148	-913	1 265	-2 058	-1 230	-	-13 802	13 317	-485	-	1 715
1988 Q1	-4 021	839	1 183	-1 003	1 019	-3 002	-3 288	-	-2 605	3 709	1 104	-	2 184
Q2	-4 538	972	1 729	-907	1 794	-2 744	-3 217	-	-19 636	18 238	-1 398	-	4 615
Q3	-5 696	973	1 518	-233	2 258	-3 438	-3 580	-	-21 936	21 598	-338	-	3 918
Q4	-6 302	689	1 571	-1 439	821	-5 481	-4 580	-†	-6 917	6 987	70	-†	4 510

1 Prior to 1979 foreign currency lending and borrowing abroad by UK banks (other than certain export credit extended) is recorded on a net basis under liabilities.

A2 Visible trade in the balance of payments

£ million

	Not seasonally adjusted			Seasonally adjusted								
	Total goods			Oil			Non-oil			Total goods		
	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance
	CGJP	CGGL	HCHL	CGQE	CGQG	CGQI	CGQF	CGQH	CGQJ	CGKG	CGHK	AIMA
1978	34 981	36 574	-1 593	2 224	4 211	-1 987	32 757	32 363	394	34 981	36 574	-1 593
1979	40 470	43 868	-3 398	4 144	4 881	-737	36 326	38 987	-2 661	40 470	43 868	-3 398
1980	47 147	45 794	1 353	6 118	5 810	308	41 029	39 984	1 045	47 147	45 794	1 353
1981	50 668	47 318	3 350	9 092	5 986	3 106	41 576	41 332	244	50 668	47 318	3 350
1982	55 330	53 112	2 218	10 671	6 032	4 639	44 659	47 080	-2 421	55 330	53 112	2 218
1983	60 698	61 773	-1 075	12 486	5 514	6 972	48 212	56 259	-8 047	60 698	61 773	-1 075
1984	70 263	74 843	-4 580	14 833	7 901	6 932	55 430	66 942	-11 512	70 263	74 843	-4 580
1985	77 988	80 334	-2 346	16 114	8 013	8 101	61 874	72 321	-10 447	77 988	80 334	-2 346
1986	72 656†	81 356†	-8 700†	8 189†	4 120†	4 069†	64 467†	77 236†	-12 769†	72 656†	81 356†	-8 700†
1987	79 421	89 594	-10 173	8 444	4 281	4 183	70 977	85 333	-14 356	79 421	89 594	-10 173
1988	80 157	100 714	-20 557	5 576	3 231	2 345	74 581	97 483	-22 902	80 157	100 714	-20 557
1980 Q1	11 919	12 584	-665	1 433	1 560	-127	10 462	10 775	-313	11 895	12 335	-440
Q2	11 859	12 174	-315	1 543	1 543	-	10 325	10 508	-183	11 868	12 051	-183
Q3	11 366	10 503	863	1 538	1 336	202	10 152	9 489	663	11 690	10 825	865
Q4	12 003	10 533	1 470	1 604	1 371	233	10 090	9 212	878	11 694	10 583	1 111
1981 Q1	11 699	10 217	1 482	2 068	1 325	743	9 715	8 755	960	11 783	10 080	1 703
Q2	12 263	11 148	1 115	2 208	1 314	894	10 006	9 598	408	12 214	10 912	1 302
Q3	12 678	12 660	18	2 429	1 652	777	10 740	11 484	-744	13 169	13 136	33
Q4	14 028	13 293	735	2 387	1 695	692	11 115	11 495	-380	13 502	13 190	312
1982 Q1	13 211	13 172	39	2 362	1 690	672	10 972	11 308	-336	13 334	12 998	336
Q2	13 752	13 764	-12	2 420	1 492	928	11 350	12 057	-707	13 770	13 549	221
Q3	13 448	12 836	612	2 849	1 504	1 345	11 007	11 726	-719	13 856	13 230	626
Q4	14 919	13 340	1 579	3 040	1 346	1 694	11 330	11 989	-659	14 370	13 335	1 035
1983 Q1	14 651	14 964†	-313†	2 921†	1 353†	1 568†	11 653†	13 337†	-1 684†	14 574†	14 690†	-116†
Q2	14 749	15 557	-808	3 022	1 390	1 632	11 769	13 860	-2 091	14 791	15 250	-459
Q3	14 769	14 967	-198	3 099	1 419	1 680	12 350	14 051	-1 701	15 449	15 470	-21
Q4	16 529	16 285	244	3 444	1 352	2 092	12 440	15 011	-2 571	15 884	16 363	-479
1984 Q1	16 833	17 400	-567	3 417	1 394	2 023	13 163	15 473	-2 310	16 580	16 867	-287
Q2	16 816	18 443	-1 627	3 596	1 928	1 668	13 414	16 277	-2 863	17 010	18 205	-1 195
Q3	16 682	18 206	-1 524	3 922	2 054	1 868	13 941	17 145	-3 204	17 863	19 199	-1 336
Q4	19 932	20 794	-862	3 898	2 525	1 373	14 912	18 047	-3 135	18 810	20 572	-1 762
1985 Q1	19 955	21 811	-1 856	4 370	2 959	1 411	15 501	18 659	-3 158	19 871	21 618	-1 747
Q2	20 192	20 661	-469	4 589	1 896	2 693	15 897	18 542	-2 645	20 486	20 438	48
Q3	17 897	18 441	-544	3 632	1 580	2 052	15 265	17 604	-2 339	18 897	19 184	-287
Q4	19 944	19 421	523	3 523	1 578	1 945	15 211	17 516	-2 305	18 734	19 094	-360
1986 Q1	17 532†	19 348	-1 816	2 784	1 208	1 576	15 345	18 579	-3 234	18 129	19 787	-1 658
Q2	18 305	20 430	-2 125	1 944	1 043	901	16 062	18 627	-2 565	18 006	19 670	-1 664
Q3	16 662	19 657	-2 995	1 658	880	778	15 979	19 537	-3 558	17 637	20 417	-2 780
Q4	20 157	21 921	-1 764	1 803	989	814	17 081	20 493	-3 412	18 884	21 482	-2 598
1987 Q1	19 432	21 151	-1 719	2 039	1 096	943	17 569	19 979	-2 410	19 608	21 075	-1 467
Q2	19 330	22 084	-2 754	2 215	1 055	1 160	17 350	20 912	-3 562	19 565	21 967	-2 402
Q3	19 290	22 478	-3 188	2 196	1 106	1 090	18 143	22 214	-4 071	20 339	23 320	-2 981
Q4	21 369	23 881	-2 512	1 994	1 004	990	17 915	22 228	-4 313	19 909	23 232	-3 323
1988 Q1	19 127	23 484	-4 357	1 548	818	730	17 494	22 245	-4 751	19 042	23 063	-4 021
Q2	20 024	24 941	-4 917	1 632	817	815	18 592	23 945	-5 353	20 224	24 762	-4 538
Q3	19 638	25 519	-5 881	1 316	856	460	19 402	25 558	-6 156	20 718	26 414	-5 696
Q4	21 368	26 770	-5 402	1 080	740	340	19 093	25 735	-6 642	20 173	26 475	-6 302

A3 Volume, implied price and unit value indices

1985 = 100

	Seasonally adjusted				Not seasonally adjusted						
	Volume indices				Implied price indices[1]			Unit value indices[2]		Terms of trade[3]	
	All goods	Non-oil goods	Services	Goods and services	Goods	Services	Goods and services	All goods	Non-oil goods	All goods	Non-oil goods
Exports	CGTR	CGSV	CGSI	HHCX	HHCZ	CGTA	HDUV	CGTO	CGSX	CGTQ	CGSZ
1978	79.6	88.8	95.4	83.2	56.4	52.9	55.5	55.5	58.9	94.7	93.3
1979	83.1	88.8	97.2	86.4	62.4	59.9	61.8	61.4	64.2	98.4	96.8
1980	94.1	90.3	94.7	86.6	71.9	67.2	70.7	70.0	70.7	102.2	100.7
1981	83.3	86.7	94.1	85.8	78.0	73.0	76.7	76.2	75.3	102.7	101.8
1982	85.6	87.8	89.6	86.6	82.8	79.6	82.0	81.4	80.6	101.5	101.4
1983	87.6	88.2	91.8	88.6	88.8	87.2	88.4	88.0	87.4	100.2	99.5
1984	94.7	94.9	93.3†	94.4	95.1	95.4†	95.2†	95.0	94.0	99.5†	98.5
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	103.6	104.1	104.2	103.7	89.9	100.0	92.4	91.8	102.9	95.6	102.0
1987	109.0	111.0	110.3	109.3†	93.4	101.7	95.4	95.5	106.8	97.0	103.0
1988	108.4†	114.0†	107.5	108.2	94.8†	103.4	96.9	97.1†	112.2†	98.3	106.9†
1985 Q1	99.9†	99.9†	97.2†	99.3†	102.8	102.1†	102.6†	102.5	99.8	98.7†	96.9
Q2	102.4	101.8	100.0	101.9	102.1	100.6	101.7	101.6	100.6	99.4	98.8
Q3	98.3	99.2	101.3	99.0	98.0	98.9	98.3	98.3	100.1	100.4	101.7
Q4	99.3	99.2	101.5	99.8	97.1	98.8	97.5	97.6	99.6	101.7	102.9
1986 Q1	99.0	99.7	103.9	100.2	93.8†	99.2	95.1	95.3	101.6	98.0	101.7
Q2	104.5	104.8	102.7	104.1	88.9	98.5	91.1	90.2	102.2	95.4	102.8
Q3	103.8	103.5	104.2	103.9	86.3	100.2	90.2	89.4	102.9	95.1	102.7
Q4	106.9	108.3	106.0	106.7	90.9	101.8	93.3	92.3	104.7	94.1	100.6
1987 Q1	108.8	110.8	106.8	108.3	92.1	100.2	93.9	94.7	105.9	94.7	100.4
Q2	107.4	108.7	111.0	108.3	93.7	100.9	95.5	95.2	106.6	97.6	103.9
Q3	109.8	112.9	115.1	111.1	94.4	103.5	97.0	96.2	107.1	98.0	103.8
Q4	110.0	111.4	108.3	109.6	93.5	101.8	95.3	95.8	107.7	97.6	104.2
1988 Q1	106.2	108.9	108.0	106.6	91.7	100.2	93.7	95.4	109.4	97.2	105.1†
Q2	111.4	115.4	108.5	110.7	93.6	101.4	95.4	96.5	111.1	98.8	106.9
Q3	109.3	117.2	107.9	108.9	96.6	105.7	99.1	98.6	113.8	99.4	108.0
Q4	106.6	114.6	105.8	106.4	97.3	105.8	99.2	98.0†	114.3†	98.0	107.1
Imports	CGTS	CGSW	CGSP	HHCY	HHDA	CGTB	HDWN	CGTP	CGSY		
1978	76.1	68.5	81.6†	77.2	59.8	58.3	59.5	58.6	63.1		
1979	83.5	77.2	89.8	84.7	65.4	62.3	64.7	62.4	66.3		
1980	79.0	74.9	94.6	81.9	72.2	66.4	71.0	68.5	70.1		
1981	75.9	73.7	96.3	79.6	77.7	72.3	76.6	74.2	74.0		
1982	80.1	79.1	98.8	83.5	82.5	80.2	82.1	80.2	79.5		
1983	87.0	87.7	96.7	88.9	88.4	88.5	88.4	87.8	87.8†		
1984	96.9	96.5	99.9	97.5	96.1	96.4†	96.2	95.5	95.4		
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
1986	106.9†	105.9†	104.5	106.4†	94.8†	102.6	96.2	96.0	100.9		
1987	114.4	114.6	114.1	114.3	97.5	104.7	98.9	98.5	103.7		
1988	129.0	131.3	123.4	128.0	97.2	103.7	98.3†	98.8†	105.0		
1985 Q1	103.6†	100.3†	97.8†	102.5†	104.8	106.5†	105.0†	103.9	103.0		
Q2	99.6	100.8	98.1	99.3	102.2	100.5	101.9	102.2	101.8		
Q3	97.2	98.7	99.4	97.6	97.5	96.9	97.4	97.9	98.4		
Q4	99.6	100.2	104.7	100.6	95.2	97.6	95.7	96.0	96.8		
1986 Q1	102.7	103.8	104.4	103.0	97.1	100.4	97.7	97.2	99.9		
Q2	104.7	103.7	104.8	104.7	94.1	99.3	95.0	94.5	99.4		
Q3	109.3	107.2	103.2	108.1	92.0	105.7	94.9	94.0	100.2		
Q4	110.8	109.1	105.5	109.8	96.0†	104.3	97.4	96.1	104.1		
1987 Q1	108.4	106.8	106.3	108.0	97.9	104.0	99.0	100.0	105.5		
Q2	111.9	112.4	112.2	111.9	98.1	104.3	99.3	97.5	102.6		
Q3	117.7	118.8	116.0	117.4	97.6	107.7	99.9	98.2	103.2		
Q4	119.5	120.5	121.8	119.9	96.5	101.8	97.4	98.2	103.4		
1988 Q1	119.8	121.0	122.1	120.3	97.1	102.6	98.0	98.1†	104.1†		
Q2	127.7	129.9	120.8	126.4	97.0	102.4	98.0	97.7	103.9		
Q3	133.7	136.6	121.8	131.4	97.4	105.8	99.1	99.2	105.4		
Q4	134.9	137.8	128.7	133.8	97.1	103.2	98.2	100.0	106.7		

1 Current price value as a percentage of value at 1985 prices. Shows the price difference compared with 1985 for the current pattern of trade.

2 Shows the price difference compared with 1985 for the 1985 pattern of trade (the 1980 pattern up to 1982). Not available for services.

3 Export unit value indices as a percentage of import unit value indices. These values are shown against 'exports' for convenience.

A4 Invisibles: summary

£ million

	Seasonally adjusted											Not seasonally adjusted		
	Invisibles credits				Invisibles debits				Invisibles balance			Total invisibles		
	Services	IPD	Transfers	Total	Services	IPD	Transfers	Total	Private sector and PC: services and IPD	Gen. govt. transactions and private transfers	Total	Credits	Debits	Balance
	CGKS	CGKL	CGKT	CGKR	CGHU	CGHJ	CGHV	CGHT	CGIV	CGIS	AIMB	CGJY	CGGY	CGIK
1978	12 501	11 181	1 213	24 895	8 959	10 375	3 004	22 338	5 038	-2 481	2 557	24 895	22 338	2 557
1979	14 434	17 505	1 400	33 339	10 527	16 300	3 610	30 437	5 785	-2 883	2 902	33 339	30 437	2 902
1980	15 779	23 690	1 893	41 362	11 830	23 886	3 877	39 593	4 552	-2 783	1 769	41 362	39 593	1 769
1981	17 026	37 529	2 792	57 347	13 103	36 319	4 339	53 761	5 965	-2 379	3 586	57 347	53 761	3 586
1982	17 685	44 396	3 402	65 483	14 923	42 950	5 143	63 016	5 671	-3 204	2 467	65 483	63 016	2 467
1983	19 843	42 471	3 744†	66 058†	16 122	39 624	5 344	61 090	8 045	-3 077†	4 968†	66 058†	61 090	4 968†
1984	22 086	51 698†	4 034	77 818	18 144†	47 266	5 751†	71 161†	10 065	-3 408	6 657	77 818	71 161†	6 657
1985	24 794	52 299	3 629	80 722	18 832	49 552†	6 637	75 021	10 751†	-5 050	5 701	80 722	75 021	5 701
1986	25 819	47 795	3 843	77 457	20 188	42 439	5 979	68 606	13 289	-4 438	8 851	77 457	68 606	8 851
1987	27 819†	48 804	3 840	80 463	22 486	43 417	7 292	73 195	13 374	-6 106	7 268	80 463	73 195	7 268
1988	27 558	55 308	3 655	86 521	24 085	49 307	7 237	80 629	12 139	-6 247	5 892	86 521	80 629	5 892
1980 Q1	3 931	5 683	445	10 059	2 978	5 745	928	9 651	1 026	-618	408	9 655	9 341	314
Q2	3 901	6 252	414	10 567	2 977	6 438	1 011	10 426	969	-828	141	10 515	10 503	12
Q3	3 940	5 719	443	10 102	2 938	5 764	1 015	9 717	1 161	-776	385	10 690	10 131	559
Q4	4 007	6 036	591	10 634	2 937	5 939	923	9 799	1 396	-561	835	10 502	9 618	884
1981 Q1	4 028	7 199	1 033	12 260	2 984	6 948	1 085	11 017	1 426	-183	1 243	11 888	10 691	1 197
Q2	4 138	8 414	433	12 985	3 167	8 041	1 021	12 229	1 539	-783	756	12 930	12 321	609
Q3	4 399	10 255	533	15 187	3 451	9 974	1 204	14 629	1 443	-885	558	15 753	15 090	663
Q4	4 461	11 661	793	16 915	3 501	11 356	1 029	15 886	1 557	-528	1 029	16 776	15 659	1 117
1982 Q1	4 363	10 393	1 380	16 136	3 482	10 305	1 255	15 042	1 265	-171	1 094	15 754	14 641	1 113
Q2	4 455	11 241	526	16 222	3 761	10 818	1 269	15 848	1 482	-1 108	374	16 150	16 003	147
Q3	4 362	11 241	672	16 275	3 832	10 839	1 319	15 990	1 350	-1 065	285	16 853	16 502	351
Q4	4 505	11 521	824	16 850	3 848	10 988	1 300	16 136	1 574	-860	714	16 726	15 870	856
1983 Q1	4 889†	11 480	1 275†	17 644†	3 885†	10 665	1 224†	15 774†	2 167†	-297†	1 870†	17 206†	15 400	1 806†
Q2	4 891	9 960	716	15 567	3 963	9 599	1 392	14 954	1 631	-1 018	613	15 479	15 037	442
Q3	5 019	10 353	839	16 211	4 181	9 350	1 258	14 789	2 213	-791	1 422	16 894	15 282†	1 612
Q4	5 044	10 678	914	16 636	4 093	10 010	1 470	15 573	2 034	-971	1 063	16 479	15 371	1 108
1984 Q1	5 322	11 357†	1 060	17 739	4 286	10 462	1 366	16 114	2 332	-707	1 625	17 482	16 037	1 445
Q2	5 375	11 977	755	18 107	4 506	11 106	1 400	17 012	2 182	-1 087	1 095	17 891	16 929	962
Q3	5 565	13 630	769	19 964	4 560	12 665	1 402	18 627	2 402	-1 065	1 337	20 687	18 962	1 725
Q4	5 824	14 734	1 450	22 008	4 792	13 033	1 583	19 408	3 149	-549	2 600	21 758	19 233	2 525
1985 Q1	6 159	14 494	995	21 648	4 854	13 587†	1 802	20 243	2 715	-1 310	1 405	21 375	20 179	1 196
Q2	6 229	13 508	779	20 516	4 661	12 843	1 422	18 926	2 705	-1 115	1 590	20 256	18 803	1 453
Q3	6 170	12 473	987	19 630	4 527	11 673	1 853	18 053	2 999	-1 422	1 577	20 491	18 519	1 972
Q4	6 236	11 824	868	18 928	4 790	11 449	1 560	17 799	2 332	-1 203	1 129	18 600	17 520	1 080
1986 Q1	6 422	11 758	1 056	19 236	4 909	10 705	992	16 606	3 165	-535	2 630	18 806	16 303	2 503
Q2	6 281	11 548	1 035	18 864	4 970	10 267	1 566	16 803	3 127	-1 066	2 061	18 709	16 721	1 988
Q3	6 419	12 055	941	19 415	5 083	10 550	1 749	17 382	3 390	-1 357	2 033	20 323	18 128	2 195
Q4	6 697	12 434	811	19 942	5 226	10 917	1 672	17 815	3 607	-1 480	2 127	19 619	17 454	2 165
1987 Q1	6 712	11 981	1 250	19 943	5 267	10 469	2 035	17 771	3 559	-1 387	2 172	19 582	17 463	2 119
Q2	6 973	12 206	1 064	20 243	5 588	10 880	1 818	18 286	3 296	-1 339	1 957	20 043	18 103	1 940
Q3	7 287	12 343	863	20 493	5 814	10 942	1 863	18 619	3 587	-1 713	1 874	21 508	19 581	1 927
Q4	6 847	12 274	663	19 784	5 817	11 126	1 576	18 519	2 932	-1 667	1 265	19 330	18 048	1 282
1988 Q1	6 805	12 653	869	20 327	5 966	11 470	1 872	19 308	2 608	-1 589	1 019	19 876	18 807	1 069
Q2	6 867	13 371	1 008	21 246	5 895	11 642	1 915	19 452	3 366	-1 572	1 794	21 096	19 396	1 700
Q3	6 966	14 473	984	22 423	5 993	12 955	1 217	20 165	3 139	-881	2 258	23 538	21 237	2 301
Q4	6 920	14 811	794	22 525	6 231	13 240	2 233	21 704	3 026	-2 205	821	22 011	21 189	822

A5 Services

£ million

	Private sector and public corporations											
	Sea transport			Civil aviation			Travel			Financial and other services		
	Credits	Debits	Balance	Credits	Debits	Balance	Credits	Debits	Balance	Credits	Debits	Balance
	CGJW	CGGW	HBTO	CGJO	CGGG	HDJA	CGKA	CGHA	HBYE	HHDE	HBVH	HHCW
1978	3 149	3 162	-13	1 455	1 173	282	2 507	1 549	958	5 136	2 089	3 047
1979	3 804	3 677	127	1 755	1 462	293	2 797	2 109	688	5 813	2 206	3 607
1980	3 816	3 675	141	2 210	1 839	371	2 961	2 738	223	6 477	2 413	4 064
1981	3 784	3 944	-160	2 359	1 966	393	2 970	3 272	-302	7 512	2 657	4 855
1982	3 267	3 891	-624	2 471	2 172	299	3 188	3 640	-452	8 355	3 466	4 889
1983	3 054	4 205	-1 151	2 665	2 345	320	4 003	4 090	-87	9 651	3 960	5 691
1984	3 253	4 355†	-1 102†	2 931	2 694	237	4 614	4 663	-49	10 814	4 777†	6 037†
1985	3 271	4 434	-1 163	3 078	2 925	153	5 442	4 871	571	12 522	4 822	7 700
1986	3 230	4 295	-1 065	2 786	3 200	-414	5 553	6 083	-530	13 743	4 703	9 040
1987	3 341	4 464	-1 123	3 159	3 778	-619	6 260†	7 280†	-1 020†	14 542†	4 847	9 695
1988	3 540†	4 501	-961	3 215†	4 025†	-810†	6 216	8 190	-1 974	14 153	5 020	9 133
Not seasonally adjusted												
1984 Q1	739	1 050	-311	561	532	29	727	715	12	2 713	1 115	1 598
Q2	807	1 070†	-263†	693	646	47	1 075	1 182	-107	2 605	1 183†	1 422†
Q3	885	1 073	-188	901	855	46	1 751	1 835	-84	2 723	1 220	1 503
Q4	822	1 162	-340	776	661	115	1 061	931	130	2 773	1 259	1 514
1985 Q1	786	1 170	-384	618	617	1	900	845	55	3 178†	1 215	1 963
Q2	860	1 163	-303	784	734	50	1 330	1 152	178	3 026	1 214	1 812
Q3	840	1 048	-208	941	859	82	2 064	1 876	188	3 177	1 179	1 998
Q4	785	1 053	-268	735	715	20	1 148	998	150	3 141	1 214	1 927
1986 Q1	772	1 012	-240	618	718	-100	937	897	40	3 383	1 147	2 236
Q2	867	1 112	-245	648	789	-141	1 278	1 458	-180	3 302	1 159	2 143
Q3	802	1 069	-267	820	960	-140	2 095	2 543	-448	3 569	1 174	2 395
Q4	789	1 102	-313	700	733	-33	1 243	1 185	58	3 489	1 223	2 266
1987 Q1	713	1 004	-291	580	782	-202	1 015†	1 086†	-71†	3 593	1 177	2 416
Q2	831	1 115	-284	796	915	-119	1 497	1 797	-300	3 576	1 197	2 379
Q3	919	1 171	-252	1 043	1 182	-139	2 371	2 991	-620	3 977	1 229	2 748
Q4	878	1 174	-296	740	899	-159	1 377	1 406	-29	3 396	1 244	2 152
1988 Q1	804	1 082	-278	617†	926	-309†	1 061	1 342	-281	3 533	1 253	2 280
Q2	890†	1 088	-198	806	947	-141	1 488	1 966	-478	3 463	1 251	2 212
Q3	954	1 166	-212	1 040	1 202†	-162	2 257	3 207	-950	3 750	1 274	2 476
Q4	892	1 165	-273	752	950	-198	1 410	1 675	-265	3 407	1 242	2 165
Seasonally adjusted												
	CGKP	CGHR	HHCS	CGKE	CGHF	HHCT	CGKU	CGHW	HHCU	HHDD	CGHN	HHCV
1984 Q1	785†	1 043†	-258†	696†	614†	82†	1 066	1 096	-30	2 666†	1 136	1 530†
Q2	803	1 065	-262	711	646	65	1 134	1 190	-56	2 637	1 191†	1 446
Q3	847	1 082	-235	735	709	26	1 194	1 134	60	2 661	1 216	1 445
Q4	818	1 165	-347	789	725	64	1 220	1 243	-23	2 850	1 234	1 616
1985 Q1	834	1 171	-337	767	701	66	1 329	1 287	42	3 113	1 239	1 874
Q2	852	1 159	-307	796	731	65	1 404	1 142	262	3 064	1 215	1 849
Q3	800	1 048	-248	763	709	54	1 382	1 134	248	3 106	1 170	1 936
Q4	785	1 056	-271	752	784	-32	1 327	1 308	19	3 239	1 198	2 041
1986 Q1	818	1 038	-220	772	815	-43	1 365	1 381	-16	3 333	1 160	2 173
Q2	855	1 092	-237	642	789	-147	1 342	1 504	-162	3 340	1 155	2 185
Q3	762	1 067	-305	649	784	-135	1 414	1 614	-200	3 484	1 179	2 305
Q4	795	1 098	-303	723	812	-89	1 432	1 584	-152	3 586	1 209	2 377
1987 Q1	759	1 010	-251	732	889	-157	1 497†	1 680†	-183†	3 550	1 185	2 365
Q2	816	1 116	-300	804	921	-117	1 578	1 867	-289	3 633	1 197	2 436
Q3	874	1 165	-291	831	969	-138	1 596	1 906	-310	3 868	1 230	2 638
Q4	892	1 173	-281	792	999	-207	1 589	1 827	-238	3 491	1 235	2 256
1988 Q1	853	1 082	-229	778	1 043	-265	1 541	2 034	-493	3 480	1 257	2 223
Q2	866	1 088	-222	809	948	-139	1 563	2 005	-442	3 529	1 248	2 281
Q3	909	1 159	-250	822	980	-158	1 509	2 025	-516	3 634	1 275	2 359
Q4	912	1 172	-260	806	1 054	-248	1 603	2 126	-523	3 510	1 240	2 270

A5 Services
continued

£ million

	Private sector and public corporations			General government					Total services		
	All services			Credits							
	Credits	Debits	Balance	From EC institutions	Other	Total	Debits	Balance	Credits	Debits	Balance
	CGJU	CGGU	CGIL	CGPJ	CGPK	CGJR	CGGI	CGIG	CGJZ	CGGZ	CGIN
1978	12 247	7 973	4 274	94	160	254	986	-732	12 501	8 959	3 542
1979	14 169	9 454	4 715	115	150	265	1 073	-808	14 434	10 527	3 907
1980	15 464	10 665	4 799	112	203	315	1 165	-850	15 779	11 830	3 949
1981	16 625	11 839	4 786	122	279	401	1 264	-863	17 026	13 103	3 923
1982	17 281	13 169	4 112	150	254	404	1 754	-1 350	17 685	14 923	2 762
1983	19 373	14 600	4 773	148	322	470	1 522	-1 052	19 843	16 122	3 721
1984	21 612	16 489†	5 123†	186	288	474	1 655	-1 181	22 086	18 144†	3 942†
1985	24 313	17 052	7 261	157	324	481	1 780	-1 299	24 794	18 832	5 962
1986	25 312	18 281	7 031	157	350	507	1 907	-1 400	25 819	20 188	5 631
1987	27 302†	20 369	6 933	127	390†	517†	2 117	-1 600†	27 819†	22 486	5 333
1988	27 124	21 736	5 388	85†	349	434	2 349†	-1 915	27 558	24 085	3 473
Not seasonally adjusted											
1984 Q1	4 740	3 412	1 328	41	103	144	397	-253	4 884	3 809	1 075
Q2	5 180	4 081	1 099	38	37	75	414	-339	5 255	4 495	760
Q3	6 260	4 983	1 277	46	73	119	419	-300	6 379	5 402	977
Q4	5 432	4 013†	1 419†	61	75	136	425	-289	5 568	4 438†	1 130†
1985 Q1	5 482†	3 847	1 635	38	117	155	456	-301	5 637†	4 303	1 334
Q2	6 000	4 263	1 737	39	53	92	414	-322	6 092	4 677	1 415
Q3	7 022	4 962	2 060	40	70	110	466	-356	7 132	5 428	1 704
Q4	5 809	3 980	1 829	40	84	124	444	-320	5 933	4 424	1 509
1986 Q1	5 710	3 774	1 936	31	149	180	515	-335	5 890	4 289	1 601
Q2	6 095	4 518	1 577	50	36	86	430	-344	6 181	4 948	1 233
Q3	7 286	5 746	1 540	29	69	98	439	-341	7 384	6 185	1 199
Q4	6 221	4 243	1 978	47	96	143	523	-380	6 364	4 766	1 598
1987 Q1	5 901	4 049	1 852	64	175	239	503	-264	6 140	4 552	1 588
Q2	6 700	5 024	1 676	46	55	101	487	-386	6 801	5 511	1 290
Q3	8 310	6 573	1 737	16	86†	102†	544	-442†	8 412	7 117	1 295
Q4	6 391	4 723	1 668	1	74	75	583	-508	6 466	5 306	1 160
1988 Q1	6 015	4 603	1 412	80	126	206	550	-344	6 221	5 153	1 068
Q2	6 647	5 252	1 395	1	60	61	606†	-545	6 708	5 858	850
Q3	8 001	6 849	1 152	3	80	83	554	-471	8 084	7 403	681
Q4	6 461	5 032	1 429	1†	83	84	639	-555	6 545	5 671	874
Seasonally adjusted											
	CGKN	CGHP	CGIT		CGPO	CGKK	CGHH	CGIP	CGKS	CGHU	AIMC
1984 Q1	5 213†	3 889†	1 324†	41	68	109	397	-288	5 322†	4 286†	1 036†
Q2	5 285	4 092	1 193	38	52	90	414	-324	5 375	4 506	869
Q3	5 437	4 141	1 296	46	82	128	419	-291	5 565	4 560	1 005
Q4	5 677	4 367	1 310	61	86	147	425	-278	5 824	4 792	1 032
1985 Q1	6 043	4 398	1 645	38	78	116	456	-340	6 159	4 854	1 305
Q2	6 116	4 247	1 869	39	74	113	414	-301	6 229	4 661	1 568
Q3	6 051	4 061	1 990	40	79	119	466	-347	6 170	4 527	1 643
Q4	6 103	4 346	1 757	40	93	133	444	-311	6 236	4 790	1 446
1986 Q1	6 288	4 394	1 894	31	103	134	515	-381	6 422	4 909	1 513
Q2	6 179	4 540	1 639	50	52	102	430	-328	6 281	4 970	1 311
Q3	6 309	4 644	1 665	29	81	110	439	-329	6 419	5 083	1 336
Q4	6 536	4 703	1 833	47	114	161	523	-362	6 697	5 226	1 471
1987 Q1	6 538	4 764	1 774	64	110†	174†	503	-329†	6 712	5 267	1 445
Q2	6 831	5 101	1 730	46	96	142	487	-345	6 973	5 588	1 385
Q3	7 169	5 270	1 899	16	102	118	544	-426	7 287	5 814	1 473
Q4	6 764	5 234	1 530	1	82	83	583	-500	6 847	5 817	1 030
1988 Q1	6 652	5 416	1 236	80	73	153	550	-397	6 805	5 966	839
Q2	6 767	5 289	1 478	1	99	100	606†	-506	6 867	5 895	972
Q3	6 874	5 439	1 435	3	89	92	554	-462	6 966	5 993	973
Q4	6 831	5 592	1 239	1†	88	89	639	-550	6 920	6 231	689

A6 Interest, profits and dividends

£ million

	Credits - earnings on:												
		Portfolio investment					Deposits and lending overseas by UK residents other than banks and general government					Of which:	
	Direct investment	UK banks	Other UK residents	Total	Lending etc to overseas residents by UK banks	Of which: identified foreign currency lending	Transactions with banks abroad	Other assets	Official reserves	Other external assets of central government	Total credits	Private sector and public corporations	General government
	HHBY	HESH	HHHR	CGNV	HERG	HHIJ	HERH	HERJ	HHCB	HERI	CGJS	CGNT	CGNR
1978	3 216	40	360	400	6 559	6 180	216	97	536	157	11 181	10 489	692
1979	5 819	50	490	540	9 812	9 296	355	163	653	163	17 505	16 689	816
1980	5 049	80	670	750	16 045	15 285	684	215	799	148	23 690	22 744	946
1981	5 418	200	790	990	28 740	27 586	1 158	253	857	113	37 529	36 558	971
1982	4 804	350	1 300	1 650	34 502	33 161	1 596	865	761	218	44 396	43 417	979
1983	6 198	840	1 823	2 663	30 709	29 099	1 388	748	589	176	42 471	41 707	764
1984	7 824	1 423	2 260†	3 683†	36 664	34 659	1 708	1 002	587	230	51 698†	50 881†	817
1985	7 749†	2 301	2 685	4 986	35 823	32 787	1 975	1 031	538	197	52 299	51 564	735
1986	7 791	2 621	3 211	5 832	30 910	28 108	1 673	824	608	157	47 795	47 031	764
1987	11 052	2 476†	3 448	5 924	28 535†	25 390†	1 716†	645†	854	78	48 804	47 872	932
1988	12 380	2 483	3 549	6 032	32 962	29 177	1 821	649	1 351†	113†	55 308	53 844	1 464†
Not seasonally adjusted													
1984 Q1	1 918	241	521†	762†	8 093	7 639	353	216	138	52	11 532†	11 341†	191
Q2	1 714	288	540	828	8 576	8 078	369	235	172	51	11 945	11 722	223
Q3	2 198	397	575	972	9 482	8 962	435	263	130	63	13 543	13 350	193
Q4	1 994	497	624	1 121	10 513	9 980	551	288	147	64	14 678	14 488	210
1985 Q1	2 323†	651	681	1 332	10 067	9 326	555	285	144	32	14 738	14 562	176
Q2	2 098	582	682	1 264	9 118	8 390	518	258	131	61	13 448	13 256	192
Q3	1 917	548	665	1 213	8 365	7 551	467	248	123	43	12 376	12 210	166
Q4	1 411	520	657	1 177	8 273	7 520	435	240	140	61	11 737	11 536	201
1986 Q1	1 621	615	709	1 324	8 068	7 366	436	225	150	33	11 857	11 675	182
Q2	1 891	618	766	1 384	7 456	6 727	439	203	152	33	11 558	11 373	185
Q3	2 130	675	837	1 512	7 578	6 907	392	202	151	41	12 006	11 814	192
Q4	2 149	713	899	1 612	7 808	7 108	406	194	155	50	12 374	12 169	205
1987 Q1	2 665	662†	920	1 582	7 147†	6 386	420	173†	159	25	12 170	11 986	184
Q2	2 826	621	885	1 506	7 081	6 311†	426	162	217	12	12 231	12 002	229
Q3	2 836	595	844	1 439	7 137	6 347	435	158	208	19	12 232	12 005	227
Q4	2 725	598	799	1 397	7 170	6 346	435†	152	270	22	12 171	11 879	292
1988 Q1	2 692	607	837	1 444	7 710	6 884	458	154	295	33	12 786	12 459	327
Q2	3 195	593	840	1 433	7 826	6 984	396	152	350	28	13 380	13 002	378
Q3	3 269	625	918	1 543	8 664	7 645	438	177	353	26	14 470	14 090	380
Q4	3 224	658	954	1 612	8 762	7 664	529	166	353†	26†	14 672	14 293	379†
Seasonally adjusted													
	HHBZ	HHAS	HHHS	CGGS	HHHQ	HHJK			HHCC	HHHW	CGKL	CGMI	CGMG
1984 Q1	1 743	241	521†	762†	8 087	7 639	353	216	138	58	11 357†	11 161†	196
Q2	1 744	288	540	828	8 569	8 078	369	235	172	60	11 977	11 745	232
Q3	2 287	397	575	972	9 480	8 962	435	263	130	63	13 630	13 437	193
Q4	2 050	497	624	1 121	10 528	9 980	551	288	147	49	14 734	14 538	196
1985 Q1	2 091†	651	681	1 332	10 050	9 326	555	285	144	37	14 494	14 313	181
Q2	2 156	582	682	1 264	9 112	8 390	518	258	131	69	13 508	13 308	200
Q3	2 009	548	665	1 213	8 369	7 551	467	248	123	44	12 473	12 306	167
Q4	1 493	520	657	1 177	8 292	7 520	435	240	140	47	11 824	11 637	187
1986 Q1	1 528	615	709	1 324	8 056	7 366	436	225	150	39†	11 758	11 569	189
Q2	1 877	618	766	1 384	7 452	6 727	439	203	152	41	11 548	11 355	193†
Q3	2 177	675	837	1 512	7 580	6 907	392	202	151	41	12 055	11 863	192
Q4	2 209	713	899	1 612	7 822	7 108	406	194	155	36	12 434	12 244	190
1987 Q1	2 490	662†	920	1 582	7 131†	6 386	420	173†	159	27	11 981	11 795	186
Q2	2 803	621	885	1 506	7 075	6 311†	426	162	217	16	12 206	11 973	233
Q3	2 945	595	844	1 439	7 139	6 347	435	158	208	19	12 343	12 116	227
Q4	2 814	598	799	1 397	7 190	6 346	435†	152	270	16	12 274	11 988	286
1988 Q1	2 560	607	837	1 444	7 710	6 884	458	154	295	32	12 653	12 327	326
Q2	3 184	593	840	1 433	7 826	6 984	396	152	350	30	13 371	12 991	380
Q3	3 272	625	918	1 543	8 664	7 645	438	177	353	26	14 473	14 094	379
Q4	3 364	658	954	1 612	8 762	7 664	529	166	353†	25	14 811	14 432	379

A6 Interest, profits and dividends

continued

£ million

	Debits - earnings on:												Balance of IPD		
	Direct investment				Overseas borrowing by UK banks		Borrowing from overseas by UK residents other than banks and general government				Of which:				
	Non-oil companies	Oil companies and misc.	Total	Portfolio investment	Foreign currency	Sterling	Transactions with banks abroad	Other liabilities	Other external liabilities of general government	Total debits	Private sector and public corporations	General government	Private sector and public corporations	General government	Total
	CGNX	HHCF	HHCH	HERN	HHID	HHIE	HERO	HERQ	HERR	CGGK	HHII	HERS	CGQD	HERV	CGOA
1978	1 526	707	2 233	782	6 183	343	513	71	250	10 375	9 725	650	764	42	806
1979	2 077	1 919	3 996	844	9 717	720	683	90	250	16 300	15 619	681	1 070	135	1 205
1980	1 873	2 900	4 773	1 084	15 324	1 203	1 179	51	272	23 886	22 991	895	-247	51	-196
1981	1 961	2 741	4 702	1 212	27 156	1 528	1 437	53	231	36 319	35 379	940	1 179	31	1 210
1982	2 081	2 586	4 667	1 303	32 933	1 878	1 752	124	293	42 950	41 858	1 092	1 559	-113	1 446
1983	2 308	2 958	5 266	1 362	28 893	2 032	1 631	136	304	39 624	38 435	1 189	3 272	-425	2 847
1984	2 965	3 314	6 279	1 549	34 731	2 286	1 888	200	333	47 266	45 939	1 327	4 942†	-510	4 432†
1985	3 502†	4 005	7 507†	1 825	34 281	3 560	1 808	267	304	49 552†	48 074†	1 478	3 490	-743	2 747
1986	2 997	2 215	5 212	2 380	29 038	3 553	1 665	297	294	42 439	40 773	1 666	6 258	-902	5 356
1987	3 887	2 691†	6 578	3 215†	27 183†	4 007†	1 758	368	308	43 417	41 431	1 986†	6 441	-1 054†	5 387
1988	5 094	1 677	6 771	3 917	30 739	4 997	1 965†	542†	376†	49 307	47 093	2 214	6 751	-750	6 001
Not seasonally adjusted															
1984 Q1	709	1 110	1 819	387	7 502	480	396	45	50	10 679	10 347	332	994†	-141	853†
Q2	772	816	1 588	401	7 930	519	470	45	94	11 047	10 728	319	994	-96	898
Q3	658	694	1 352	432	9 335	545	467	55	60	12 246	11 892	354	1 458	-161	1 297
Q4	826	694	1 520	329	9 964	742	555	55	129	13 294	12 972	322	1 496	-112	1 384
1985 Q1	898†	1 459	2 357†	439	9 739	717	486	62	65	13 865†	13 485†	380	1 077	-204	873
Q2	1 026	870	1 896	434	8 912	883	471	69	73	12 738	12 418	320	838	-128	710
Q3	647	669	1 316	518	7 985	1 000	405	67	56	11 347	10 943	404	1 267	-238	1 029
Q4	931	1 007	1 938	434	7 645	960	446	69	110	11 602	11 228	374	308	-173	135
1986 Q1	576	733	1 309	592	7 471	890	408	69	60	10 799	10 336	463	1 339	-281	1 058
Q2	808	462	1 270	536	6 958	899	427	65	67	10 222	9 884	338	1 489	-153	1 336
Q3	730	311	1 041	671	7 224	882	381	72	53	10 324	9 864	460	1 950	-268	1 682
Q4	883	709	1 592	581	7 385	882	449	91	114	11 094	10 689	405	1 480	-200	1 280
1987 Q1	913	897†	1 810	796	6 525	956	423	83	61	10 654	10 094	560	1 892	-376	1 516
Q2	998	507	1 505	767	6 911	1 031	438	85	67	10 804	10 436	368	1 566	-139	1 427
Q3	959	464	1 423	931†	6 813	939	436	93	66	10 701	10 114	587†	1 891	-360†	1 531
Q4	1 017	823	1 840	721	6 934†	1 081†	461	107	114	11 258	10 787	471	1 092	-179	913
1988 Q1	1 101	496	1 597	923	7 376	972	450†	106	73	11 497	10 858	639	1 601	-312	1 289
Q2	1 270	365	1 635	951	7 381	1 066	430	119	78	11 660	11 244	416	1 758	-38	1 720
Q3	1 334	359	1 693	1 063	7 963	1 280	486	152†	84	12 721	12 063	658	2 027	-278	1 749
Q4	1 389	457	1 846	980	8 019	1 679	599	165	141†	13 429	12 928	501	1 365	-122	1 243
Seasonally adjusted															
	CGEU	HHCG	HHCI	HHIA	HHIV	HHIH	HHHX	HHHZ	HHHY	CGHJ	HHHK	HHHL	CGMW	HHHM	AIMD
1984 Q1	721	832	1 553	359	7 502	514	420	45	69	10 462	10 153	309	1 008†	-113	895†
Q2	717	939	1 656	405	7 930	519	448	45	103	11 106	10 756	350	989	-118	871
Q3	715	987	1 702	403	9 335	595	495	56	79	12 665	12 331	334	1 106	-141	965
Q4	812	556	1 368	382	9 964	658	525	54	82	13 033	12 699	334	1 839	-138	1 701
1985 Q1	926†	1 112	2 038†	394	9 739	763	509	62	82	13 587†	13 243†	344	1 070	-163	907
Q2	946	1 044	1 990	464	8 912	876	454	69	78	12 843	12 472	371	836	-171	665
Q3	699	988	1 687	475	7 985	961	426	67	72	11 673	11 297	376	1 009	-209	800
Q4	931	861	1 792	492	7 645	960	419	69	72	11 449	11 062	387	575	-200	375
1986 Q1	607	579	1 186	544	7 471	931	426†	70	77	10 705	10 298	407	1 271	-218	1 053
Q2	740	569	1 309	562	6 958	887	414	65	72	10 267	9 867	400	1 488	-207†	1 281
Q3	783	462	1 245	606	7 224	934	397	72	72	10 550	10 138	412	1 725	-220	1 505
Q4	867	605	1 472	668	7 385	801	428	90	73	10 917	10 470	447	1 774	-257	1 517
1987 Q1	969	666†	1 635	716†	6 525	995†	438	86	74	10 469	10 010	459†	1 785	-273	1 512
Q2	924	633	1 557	804	6 911	1 021	428	89	69	10 880	10 407	473	1 566	-240	1 326
Q3	1 007	675	1 682	827	6 813	1 000	446	94	80	10 942	10 428	514	1 688	-287	1 401
Q4	987	717	1 704	868	6 934†	990	446	99	85	11 126	10 586	540	1 402	-254	1 148
1988 Q1	1 185	369	1 554	877	7 376	1 016	460	101	86	11 470	10 955	515	1 372	-189	1 183
Q2	1 154	428	1 582	974	7 381	1 079	424	121†	81†	11 642	11 103	539	1 888	-159	1 729
Q3	1 409	512	1 921	971	7 963	1 366	482	154	98	12 955	12 390	565	1 704	-186	1 518
Q4	1 346	368	1 714	1 095	8 019	1 536	599	166	111	13 240	12 645	595	1 787	-216	1 571

A7 Transfers

£ million

	Credits							Debits						Balance	
		General government							General government						
		European Community institutions								EC institutions					
	Private	Agricultural Fund	Social Fund	Regional Development Fund	Negotiated refunds	Other	Total	Private	Bilateral aid	Before VAT abatement	VAT abatement	Other	Total	Total	Of which: with EC institutions[1]
	CGJV	HCOW	HDIZ	HBZA	CGPI	HHAA	HDKD	CGGV	CGEG	HHHO	HHHP	HHAB	CGGJ	CGIO	CGII
1978	774	329	63	35	-	12	439	901	387	1 364	-	352	2 103	-1 791	-925
1979	850	371	87	71	-	21	550	1 044	498	1 626	-	442	2 566	-2 210	-1 076
1980	935	550	95	173	98	42	958	1 139	528	1 783	-	427	2 738	-1 984	-825
1981	1 117	683	107	145	683	47	1 675	1 057	584	2 188	-	510	3 282	-1 547	-513
1982	1 248	791	152	111	1 019	81	2 154	1 200	496	2 878	-	569	3 943	-1 741	-724
1983	1 509†	1 082	128	139	807	79	2 235	1 179	534	2 994	-	637	4 165	-1 600†	-759
1984	1 642	1 353	283	184	528	44	2 392	1 260†	560	3 213	-	718	4 491	-1 717	-821
1985	1 759	1 203	256	274	61	76	1 870	1 435	614	3 970	-166	784	5 202	-3 008	-1 934
1986	1 705	1 385	335	298	-	120	2 138	1 608	656	4 513	-1 701	903	4 371	-2 136	-674
1987	1 569	1 344	428	404	-	95	2 271	1 733	570	5 219	-1 153	923†	5 559†	-3 452	-1 795
1988	1 542	1 379†	277†	370†	-†	87†	2 113†	1 855	753†	5 150†	-1 595†	1 074	5 382	-3 582	-1 442†
Not seasonally adjusted															
1984 Q1	399†	407	180	67	-	13	667	303†	248	783	-	215	1 246	-483†	-116
Q2	407	244	10	17	-	13	284	311	68	787	-	221	1 076	-696	-503
Q3	414	306	5	31	-	9	351	319	102	748	-	145	995	-549	-397
Q4	422	396	88	69	528	9	1 090	327	142	895	-	137	1 174	11	195
1985 Q1	437	277	101	85	61	39	563	343	290	1 137	-	241	1 668	-1 011	-574
Q2	439	231	4	39	-	3	277	353	73	721	-	241	1 035	-672	-444
Q3	441	306	147	78	-	11	542	364	124	1 091	-	165	1 380	-761	-549
Q4	442	389	4	72	-	23	488	375	127	1 021	-166	137	1 119	-564	-367
1986 Q1	435	488	8	94	-	34	624	388	292	936	-657	256	827	-156	345
Q2	429	326	184	2	-	29	541	397	57	1 069	-225	253	1 154	-581	-303
Q3	423	339	13	140	-	18	510	407	113	1 347	-478	230	1 212	-686	-359
Q4	418	232	130	62	-	39	463	416	194	1 161	-341	164	1 178	-713	-357
1987 Q1	400	626	86	125	-	35	872	422	299	1 565	-299	270	1 835	-985	-394
Q2	395	332	226	56	-	2	616	429	66	1 312	-287	268	1 359	-777	-409
Q3	390	294	24	119	-	37	474	437	104	1 307	-284	199†	1 326†	-899	-549
Q4	384	92	92	104	-	21	309	445	101	1 035	-283	186	1 039	-791	-443
1988 Q1	389	336	51	87	-	6†	480†	451	387	1 265	-283	337	1 706	-1 288	-502†
Q2	387	445	121	51	-	4	621	460	78†	1 285	-270	327	1 418	-870	-394
Q3	384	402	65	73	-	60	600	468	140	954	-648	199	645	-129	294
Q4	382	196†	40†	159†	-†	17	412	476	150	1 646†	-394†	211	1 613	-1 295	-840
Seasonally adjusted															
		HHAC	HHAD			HHAE	HHAH		CGEM	HHHT		HHAG	CGHI	AIME	CGIR
1984 Q1	399†	401	180	67	-	13	661	303†	128	783	-	152†	1 063†	-306†	-122
Q2	407	308	10	17	-	13	348	311	138	787	-	164	1 089	-645	-439
Q3	414	310	5	31	-	9	355	319	137	748	-	198	1 083	-633	-393
Q4	422	334	88	69	528	9	1 028	327	157	895	-	204	1 256	-133	133
1985 Q1	437	272	101	85	61	39	558	343	149	1 137	-	173	1 459	-807	-579
Q2	439	294	4	39	-	3	340	353	155	721	-	193	1 069	-643	-381
Q3	441	310	147	78	-	11	546	364	168	1 091	-	230	1 489	-866	-545
Q4	442	327	4	72	-	23	426	375	142	1 021	-166	188	1 185	-692	-429
1986 Q1	435	485	8	94	-	34	621	388	151	936	-657	174	604	64	342
Q2	429	391	184	2	-	29	606	397	127	1 069	-225	198	1 169	-531	-238
Q3	423	347	13	140	-	18	518	407	155	1 347	-478	318	1 342	-808	-351
Q4	418	162	130	62	-	39	393	416	223	1 161	-341	213	1 256	-861	-427
1987 Q1	400	604	86	125	-	35	850	422	152†	1 565	-299	195	1 613	-785	-416
Q2	395	385	226	56	-	2	669	429	157	1 312	-287	207	1 389	-754	-356
Q3	390	293	24	119	-	37	473	437	143	1 307	-284	260	1 426	-1 000	-550
Q4	384	62	92	104	-	21	279	445	118	1 035	-283	261	1 131	-913	-473
1988 Q1	389	336	51	87	-	6†	480†	451	196	1 265	-283	243	1 421	-1 003	-502†
Q2	387	445	121	51	-	4	621	460	184	1 285	-270	256	1 455	-907	-394
Q3	384	402	65	73	-	60	600	468	194	954	-648	249	749	-233	294
Q4	382	196†	40†	159†	-†	17	412	476	179	1 646†	-394†	326	1 757	-1 439	-840

1 This series does not have the same coverage as that shown in Table 3.3 of *The Government Expenditure Plans 1988-1989 to 1990-1991 (Cm 288-II)*. The main differences are that the latter excludes the United Kingdom's contribution to the Community Budget expenditure on overseas aid (which is attributed to the aid programme) and includes the services credits shown in Table A5.

A8 Summary of transactions in UK external assets and liabilities[1]

£ million, not seasonally adjusted

	Transactions in external assets							Transactions in external liabilities						
	UK investment overseas							Overseas investment in the United Kingdom						
	Direct	Portfolio	Lending etc to overseas residents by UK banks[2]	Deposits and lending overseas by UK residents other than banks and general government[3]	Official reserves	Other external assets of central government	Total	Direct	Portfolio	Borrowing etc from overseas residents by UK banks[2]	Borrowing from overseas by UK residents other than banks and general government	Other external liabilities of general government	Total	Net transactions
	HHBV	CGOS	HEYN	HETJ	AIPA	HEUJ	HEPZ	HHBU	HEYR	HEYS	HTEV	HEUR	HEQW	HEQU
1978	-3 520	-1 073	-1 193	-739	2 329	-181	-4 377	1 962	-139	-793	1 181	-705	1 506	-2 871
1979	-5 889	-887	-29 894	-2 323	-1 059	-137	-40 189	3 030	1 549	33 540	1 544	-217	39 446	-743
1980	-4 866	-3 310	-32 613	-2 710	-291	351	-43 439	4 355	1 499	33 549	758	-594	39 567	-3 872
1981	-6 005	-4 468	-39 919	-2 889	2 419	93	-50 769	2 932	323	39 260	1 089	-206	43 398	-7 371
1982	-4 091	-7 563	-20 540	-471	1 421	-161	-31 405	3 027	225	24 325	1 069	407	29 053	-2 352
1983	-5 417	-7 193	-18 394	704	607	-478	-30 171	3 386	1 888	21 137	-17	-584	25 810	-4 361
1984	-6 003	-9 866	-14 372	-1 962	908	-743	-32 038	-181	1 419	24 797	-1 706	-40	24 289	-7 749
1985	-8 800†	-19 440	-21 835	-721	-1 758	-730	-53 284†	3 784†	7 121	29 461	3 390	23	43 779†	-9 505†
1986	-11 290	-25 644†	-53 809	-832†	-2 891	-510	-94 976	4 846	8 066†	63 721	4 314	178	81 125	-13 851
1987	-18 775	1 526	-50 381†	-4 713	-12 012	-797	-85 152	8 108	9 665	52 906†	3 447†	1 575†	75 701	-9 451
1988	-14 937	-10 872	-19 266	-2 372	-2 761†	-886†	-51 094	7 114	4 134	33 712	5 089	483	50 532	-562
1980 Q1	-1 581	-527	-10 815	-1 106	-457	88	-14 398	1 303	33	11 258	344	88	13 026	-1 372
Q2	-1 642	-323	-5 511	-554	-140	11	-8 159	861	968	6 190	180	-258	7 941	-218
Q3	-626	-1 140	-3 347	154	223	38	-4 698	941	533	3 379	-382	-121	4 350	-348
Q4	-1 017	-1 320	-12 940	-1 204	83	214	-16 184	1 250	-35	12 722	616	-303	14 250	-1 934
1981 Q1	-1 535	-1 450	-11 199	-696	-319	85	-15 114	377	8	9 905	485	40	10 815	-4 299
Q2	-1 328	-1 079	-6 737	-808	1 448	-30	-8 534	1 181	-138	5 444	-523	91	6 055	-2 479
Q3	-1 345	-809	-12 182	-710	1 167	30	-13 849	662	62	11 932	476	9	13 141	-708
Q4	-1 797	-1 130	-9 801	-675	123	8	-13 272	712	391	11 979	651	-346	13 387	115
1982 Q1	-1 161	-1 961	-9 827	1 381	11	-42	-11 599	1 355	-185	11 306	-958	-143	11 375	-224
Q2	-840	-1 631	1 700	49	699	-15	-38	875	-107	-27	406	100	1 247	1 209
Q3	-1 031	-1 770	-14 920	-359	-288	-48	-18 416	529	-322	15 666	223	387	16 483	-1 933
Q4	-1 059	-2 201	2 507	-1 542	999	-56	-1 352	268	839	-2 620	1 398	63	-52	-1 404
1983 Q1	-1 958	-2 051	-7 279	118	652	-203	-10 721	636	310	7 830	87	-395	8 468	-2 253
Q2	-462	-2 011	2 085	411	-142	-74	-193	1 352	1 124	-1 393	-608	33	508	315
Q3	-1 568	-1 331	-8 315	-133	-33	-89	-11 469	1 191	367	10 137	81	109	11 885	416
Q4	-1 429	-1 800	-4 885	308	130	-112	-7 788	207	87	4 563	423	-331	4 949	-2 839
1984 Q1	-1 673	-3 800	-9 136	697	77	-282	-14 097	1 292	421	11 521	-330	144	13 048	-1 049
Q2	-636	-146	-7 499	-1 330	857	-151	-8 905	-2 940	-437	11 032	-857	151	6 949	-1 956
Q3	-1 854	-2 780	5 013	-1 122	279	-135	-599	1 497	347	-2 568	-75	236	-563	-1 162
Q4	-1 840	-3 140	-2 750	-207	-305	-195	-8 437	-30	1 088	4 812	-444	-571	4 855	-3 582
1985 Q1	-3 415†	-6 503	-6 236	-992	90	-214	-17 270†	2 179†	1 292	9 420	129	142	13 162†	-4 108†
Q2	-1 761	-4 878	658	-89	-607	-186	-6 863	380	2 509	390	2 167	10	5 456	-1 407
Q3	-2 019	-3 706	-10 763	538	-49	-76	-16 075	592	897	8 744	-393	19	9 859	-6 216
Q4	-1 605	-4 353	-5 494	-178	-1 192	-254	-13 076	633	2 423	10 907	1 487	-148	15 302	2 226
1986 Q1	-800	-6 303	-8 857	939†	-580	62	-15 539	1 301	914	11 607	-1 045	135	12 912	-2 627
Q2	-1 677	-7 130	-6 060	-661	-296	-153	-15 977	927	1 658	7 597	1 223	128	11 533	-4 444
Q3	-3 553	-7 106†	-28 758	-1 329	-2 321	-160	-43 227	1 455	2 755	33 762	4 054	112	42 138	-1 089
Q4	-5 260	-5 105	-10 134	219	306	-259	-20 233	1 163	2 739†	10 755	82	-197	14 542	-5 691
1987 Q1	-2 613	-4 106	-7 387	-1 950	-1 523	-213	-17 792	1 695	2 946	10 957	1 091	-6†	16 683	-1 109
Q2	-5 599	-462	-15 111†	-449	-4 469	-159	-26 249	621	1 684	20 636†	648	764	24 353	-1 896
Q3	-7 330	-858	-16 976	-1 708	-269	-168	-27 309	2 399	4 267	13 332	1 322	28	21 348	-5 961
Q4	-3 233	6 952	-10 907	-606	-5 751	-257	-13 802	3 393	768	7 981	386†	789	13 317	-485
1988 Q1	-1 845	-2 604	1 549	1 156	-653	-208†	-2 605	1 720	62	1 407	947	-427	3 709	1 104
Q2	-4 372	-4 336	-8 732	-1 367	-631	-198	-19 636	1 069	786	14 098	2 111	174	18 238	-1 398
Q3	-3 314	-235	-16 681	-498	-995	-213	-21 936	956	2 394	16 900	1 471	-123	21 598	-338
Q4	-5 406	-3 697	4 598	-1 663	-482†	-267	-6 917	3 369	892	1 307	560	859	6 987	70

1 UK assets: increase-/decrease+. UK liabilities: increase+/decrease-.
2 Prior to 1979 foreign currency lending abroad (other than certain export credit extended) is recorded on a net basis under liabilities. Prior to 1982 includes transactions by 'other financial institutions', which are subsequently included in transactions by UK residents other than banks and general government.
3 Only partial coverage for the most recent quarter - see Table A12.

A9 Direct Investment

£ million, not seasonally adjusted

	Investment overseas by UK residents (Transactions in assets)			Investment in UK by overseas residents (Transactions in liabilities)					
	All companies and miscellaneous			In non-oil companies		In oil companies			
	Unremitted profits	Other	Total direct investment	Unremitted profits	Other	Unremitted profits	Other	Miscellaneous	Total direct investment
	HHDR	HHDS	HHBV	CGLU	CGLM	HERX	HEYZ	CGLO	HHBU
1983	..	..	-5 417	1 047	1 016	167	1 071	85	3 386
1984	-4 885	-1 118	-6 003	1 409	612	936	-3 203	65	-181
1985	-4 849†	-3 951†	-8 800†	1 661†	-146†	2 079	100	90	3 784†
1986	-4 545	-6 745	-11 290	747	1 976	513	1 460†	150	4 846
1987	-7 376	-11 399	-18 775	1 928	4 281	1 220†	389	290	8 108
1988	-6 850	-8 087	-14 937	2 026	4 644	1 014	-750	180†	7 114
1986 Q1	-879†	79†	-800†	209†	403†	508	151†	30	1 301†
Q2	-1 029	-648	-1 677	305	382	374	-184	50	927
Q3	-1 246	-2 307	-3 553	362	329	257	487	20	1 455
Q4	-1 391	-3 869	-5 260	-129	862	-626	1 006	50	1 163
1987 Q1	-2 012	-601	-2 613	460	302	848†	-85	170	1 695
Q2	-1 816	-3 783	-5 599	714	397	57	-597	50	621
Q3	-1 867	-5 463	-7 330	696	1 424	99	150	30	2 399
Q4	-1 681	-1 552	-3 233	58	2 158	216	921	40	3 393
1988 Q1	-1 565	-280	-1 845	548	213	356	543	60	1 720
Q2	-1 266	-3 106	-4 372	342	1 175	116	-604	40	1 069
Q3	-2 063	-1 251	-3 314	1 009	85	316	-494	40	956
Q4	-1 956	-3 450	-5 406	127	3 171	226	-195	40†	3 369

A10 Portfolio Investment

£ million, not seasonally adjusted

	Investment overseas by UK residents (Transactions in assets)				Investment in UK securites by overseas residents (Transactions in liabilities)							
					British government stocks					UK companies' securities		
	UK banks	Other financial institutions[1]	Other	Total portfolio investment	Overseas monetary authorities	Other overseas residents	British government foreign currency notes and bonds	Local authorities' securities	Public corporations' securities	Bonds etc	Ordinary shares	Total portfolio investment
	HHAL	HHAM	HHAN	CGOS	AING	CGLV	HEZP	HHIG	HEZX	HGDY	HGDZ	HEYR
1983	-2 751	-3 974	-468	-7 193	227	714	-	-10	12	-6	951	1 888
1984	-7 980	-2 069	183	-9 868	188	781	-342	-4	-229	-49	1 074	1 419
1985	-10 120	-7 238	-2 082	-19 440	1 482	1 438	294	-3	-10	2 545	1 375	7 121
1986	-7 515	-16 979†	-1 150†	-25 644†	278	1 837	1 150	-1	-4	2 291†	2 515	8 066†
1987	295†	5 710	-4 479	1 526	1 322	2 540	-568†	-1	-113	910	5 575†	9 665
1988	-1 784	-6 298	-2 790	-10 872	551†	236†	87	-†	-56†	831	2 485	4 134
1986 Q1	-1 128	-5 013	-162	-6 303	-152	224	-52	-1	138	-48	805	914
Q2	-2 250	-4 587	-293	-7 130	344	424	12	-	-126	244	760	1 658
Q3	-2 728	-3 973†	-405†	-7 106†	45	507	836	-	-7	1 086	288	2 755
Q4	-1 409	-3 406	-290	-5 105	41	682	354	-	-9	1 009†	662	2 739†
1987 Q1	116	-1 943	-2 279	-4 106	30	503	-170†	-1	-76	654	2 006	2 946
Q2	73	448	-983	-462	583	420	-37	-	4	-51	765†	1 684
Q3	-111†	528	-1 275	-858	1 302	941	-208	-	-40	254	2 018	4 267
Q4	217	6 677	58	6 952	-593	676	-153	-	-1	53	786	768
1988 Q1	-209	-1 277	-1 118	-2 604	511†	-328†	-26	-	4	-369	270	62
Q2	-1 180	-3 132	-24	-4 336	100	388	175	-	-9	143	-11	786
Q3	259	506	-1 000	-235	-186	-67	285	-	-8	427	1 943	2 394
Q4	-654	-2 395	-648	-3 697	126	243	-347	-†	-43†	630	283	892

1 Includes security dealers from 1984.

A11 Transactions of UK banks (excluding direct and portfolio investment)

£ million, not seasonally adjusted

	Transactions in external assets							Transactions in external liabilities					Net transactions		
	Foreign currency lending abroad			Sterling lending abroad				Borrowing and deposit liabilities abroad							
									Sterling						
	Identified long-term export credit	Other	Total	Identified export credit	Other	Total	Total	Foreign currency	Overseas authorities' exchange reserves	Other	Total	Total	Foreign currency	Sterling	Total
	HEZY	HEPG	HEZZ	HHIL	HCAE	HCAD	HEYN	HCAF	HCHE	CGDI	HEPD	HEYS	HCAG	HCAH	HCAI
1983	-506	-15 656	-16 162	-893	-1 339	-2 232	-18 394	17 192	815	3 130	3 945	21 137	1 030	1 713	2 743
1984	-161	-9 278	-9 439	-215	-4 718	-4 933	-14 372	18 648	1 022	5 127	6 149	24 797	9 209	1 216	10 425
1985	505	-20 705	-20 200	90	-1 725	-1 635	-21 835	25 306	150	4 005	4 155	29 461	5 106	2 520	7 626
1986	699	-48 553	-47 854	-116	-5 839	-5 955	-53 809	58 116	-283	5 888	5 605	63 721	10 262	-350	9 912
1987	633	-46 376†	-45 743†	518	-5 156	-4 638	-50 381†	44 369†	1 681	6 856	8 537	52 906†	-1 374†	3 899	2 525†
1988	278†	-14 944	-14 666	247†	-4 847†	-4 600†	-19 266	20 120	2 072†	11 520†	13 592†	33 712	5 454	8 992†	14 446
1986 Q1	285	-7 063	-6 798	-226	-1 833	-2 059	-8 857	7 722	484	3 401	3 885	11 607	924	1 826	2 750
Q2	219	-5 748	-5 529	53	-584	-531	-6 060	8 458	-811	-50	-861	7 597	2 929	-1 392	1 537
Q3	282	-27 549	-27 267	19	-1 510	-1 491	-28 758	33 066	-8	704	696	33 762	5 799	-795	5 004
Q4	-67	-8 193	-8 260	36	-1 912	-1 874	-10 134	8 870	52	1 833	1 885	10 755	610	11	621
1987 Q1	263	-6 388	-6 125	97	-1 359	-1 262	-7 387	8 509	434	2 014	2 448	10 957	2 384	1 186	3 570
Q2	98	-15 233†	-15 135†	118	-94	24	-15 111†	19 296†	-417	1 757	1 340	20 636†	4 161†	1 364	5 525†
Q3	191	-14 539	-14 348	158	-2 786	-2 628	-16 976	10 483	343	2 506	2 849	13 332	-3 865	221	-3 644
Q4	81	-10 216	-10 135	145	-917	-772	-10 907	6 081	1 321	579	1 900	7 981	-4 054	1 128	-2 926
1988 Q1	125	3 742	3 867	75	-2 393	-2 318	1 549	-1 915	545†	2 777	3 322†	1 407	1 952	1 004†	2 956
Q2	54	-4 285	-4 231	45	-4 546†	-4 501†	-8 732	5 300	831	7 967†	8 798	14 098	1 069	4 297	5 366
Q3	64	-15 576	-15 512	72	-1 241	-1 169	-16 681	14 464	-27	2 463	2 436	16 900	-1 048	1 267	219
Q4	35†	1 175	1 210	55†	3 333	3 388	4 598	2 271	723	-1 687	-964	1 307	3 481	2 424	5 905

A12 Transactions of UK residents other than banks and general government (excluding direct and portfolio investment)

£ million, not seasonally adjusted

	Transactions in external assets			Transactions in external liabilities			Net transactions		
	With banks abroad[1]	Other	Total	With banks abroad[1]	Other	Total	Public corporations	UK non-bank private sector	Total
	HESZ	HETE	HETJ	HETN	HETQ	HTEV	HETW	HETY	HETZ
1983	863	-159	704	38	-55	-17	-67	754	687
1984	-3 243	1 282	-1 962	-2 224	518	-1 706	-236	-3 432	-3 668
1985	-1 251	530	-721	2 662	728	3 390	295	2 374	2 669
1986	-2 787	1 954†	-832†	3 712	602	4 314	-120	3 602†	3 482†
1987	-5 358†	645	-4 713	1 943†	1 504	3 447†	-138	-1 128	-1 266
1988	-2 831	459	-2 372	2 891	2 198†	5 089	-318†	3 035	2 717
1986 Q1	520	419†	939†	-1 149	104	-1 045	-138	32†	-106†
Q2	-1 217	555	-661	1 004	219	1 223	-16	578	562
Q3	-1 823	494	-1 329	3 639	415	4 054	24	2 701	2 725
Q4	-267	486	219	218	-136	82	10	291	301
1987 Q1	-2 447	497	-1 950	311	780	1 091	91	-951	-859
Q2	-811	362	-449	848	-200	648	-106	306	199
Q3	-1 691†	-17	-1 708	474	848	1 322	-20	-366	-386
Q4	-409	-197	-606	310†	76	386†	-103	-117	-220
1988 Q1	1 547	-391	1 156	441	506	947	-15†	2 118	2 103
Q2	-1 674	307	-1 367	1 393	718†	2 111	-147	891	744
Q3	-1 144	648	-498	879	592	1 471	-67	1 040	973
Q4	-1 560	-103	-1 663	178	382	560	-89	-1 014	-1 103

1 The figure for the most recent quarter is based on less information than earlier quarters, for which in particular 'cross border' data of overseas banks are also available via the IMF.

A13 Transactions of general government (excluding portfolio liabilities)

£ million, not seasonally adjusted

	Transactions in external assets					Transactions in external liabilities								
								Borrowing from banks etc overseas by						
	Official reserves	Inter-government loans by UK	Export credit	Other	Total	IMF	Inter-government loans to UK	HM Government	Local authorities[1]	Treasury bills	Non-interest bearing notes	Other	Total	Net transactions
	AIPA	HEUC	HEPF	HHIC	HEUI	AION	HEUL	HCJN	HEUQ	HHOA	HCHO	HHIB	HEUR	HCCG
1983	607	12	-235	-255	129	-36	-97	-	57	30	-12	-527	-584	-455
1984	908	65	-603	-205	165	-	-103	-	48	145	-21	-110†	-40	125
1985	-1 758	52	-573	-209	-2 488	-	-87	-	85	-13	28	9	23	-2 465
1986	-2 891	69	-352	-227	-3 401	-	-87	-	99	207	-248	207	178	-3 223
1987	-12 012	84	-671	-209	-12 809	-	-69	-	102†	1 104	273	165	1 575†	-11 234†
1988	-2 761†	72†	-702†	-256†	-3 647†	-†	-73†	-†	-10	764	-480†	282	483	-3 164
1986 Q1	-580	-	106	-44	-518	-	-	-	47	-49	93	44	135	-383
Q2	-296	14	-130	-37	-449	-	-1	-	43	-11	-52	150	128	-321
Q3	-2 321	17	-141	-36	-2 481	-	-	-	18	93	-13	14	112	-2 369
Q4	306	38	-187	-110	47	-	-86	-	-9	174	-276	-1	-197	-150
1987 Q1	-1 523	21	-149	-85	-1 736	-	-	-	7	-11	131	-133†	-6†	-1 742†
Q2	-4 469	22	-164	-17	-4 628	-	-1	-	96	375	179	115	764	-3 864
Q3	-269	23	-144	-47	-437	-	-	-	-6	40	-39	33	28	-409
Q4	-5 751	18	-214	-60	-6 008	-	-68	-	5†	700	2	150	789	-5 219
1988 Q1	-653	23	-148	-84†	-861†	-	-	-	22	-335	-29	-85	-427	-1 288
Q2	-631	19	-156	-60	-829	-	-	-	-12	179	53	-46	174	-655
Q3	-995	17	-169	-61	-1 208	-	-	-	-6	-119	-10†	12	-123	-1 331
Q4	-482†	13†	-229†	-51	-749	-†	-73†	-†	-14	1 039	-494	401	859	110

1 Including Northern Ireland central government.

The Budget: 14 March 1989

The following are the proposed changes in taxation and national insurance as set out in the *Financial Statement and Budget Report 1989-90* (HMSO March 1989) (Price £7.80)

Income tax

The main income tax thresholds will be increased in line with the statutory indexation provisions (based on the increase of 6.8 per cent in the RPI in the year to December 1988); the higher level of age allowance currently given to those aged 80 and over will be extended to those aged 75 and over. This will mean that:

- the single person's and wife's earned income allowances will rise from £2,605 to £2,785;
- the married allowance will rise from £4,095 to £4,375;
- the additional personal allowance and widow's bereavement allowance will rise from £1,490 to £1,590;
- the age allowance for those aged 65 to 74 will rise from £3,180 to £3,400 (single) and from £5,035 to £5,385 (married);
- the age allowance for those aged 75 and over will rise from £3,180 (for single people aged under 80) and from £3,310 (for single people aged 80 and over) to £3,540; and from £5,035 (for married couples aged under 80) and from £5,205 (for married couples aged 80 and over) to £5,565;
- the income limit for the age allowances will rise from £10,600 to £11,400;
- the basic rate limit will rise from £19,300 to £20,700 of taxable income.

The age allowance withdrawal rate will be reduced from £2 of allowances for each £3 of income to £1 of allowances for each £2 of income above the income limit of £11,400. This means that the marginal tax rate for someone with income in the withdrawal band will fall from nearly 42 per cent to 37½ per cent.

Benefits in kind

Car benefit scale charges will be increased by one third from 6 April 1989.

Private medical insurance

Income tax relief will be given from 6 April 1990 on private medical insurance premiums for those aged 60 and over.

Charitable giving

The limit on charitable donations qualifying for tax relief under the payroll giving scheme will be doubled from £240 to £480 a year from 6 April 1989.

Schedule E assessment

The basis of assessment for Schedule E (remuneration of employees and directors) will be changed from accruals to receipts. Bringing the systems of assessment and collection (PAYE) into line will simplify the taxation of the half million directors and employees not already in practice taxed on the receipts basis.

Employee share ownership plans (ESOPs)

Tax relief will be given for payments by companies to qualifying ESOP trusts.

Approved employee share schemes

The annual limit for individual participation in the 1978 all-employee share scheme will be increased to £2,000 or — if greater — 10 per cent of pay up to a maximum of £6,000. The 1980 SAYE share option scheme limit will be increased from £100 to £150 per month. The maximum discount from the share price at which options may be granted under these schemes will be doubled to 20 per cent.

Profit-related pay

The cash ceiling on the amount of profit-related pay attracting tax relief will be increased to £4,000. A number of other changes will simplify and improve the PRP rules.

Personal Equity Plans

The annual limit on investment in Personal Equity Plans will be increased from £3,000 to £4,800. The annual limit on investment in unit and investment trusts will be increased to £2,400, irrespective of other holdings. Investment in unit and investment trusts will be restricted to trusts which invest mainly in UK equities. The PEP rules will be greatly simplified.

Pensions

A number of changes will be made to the taxation of pensions. In the case of occupational pensions:

- employers will be able to set up 'top-up' schemes for their employees, with no limits on benefits, but without special tax reliefs;
- a limit will be placed on pensions paid from tax-approved schemes, based on earnings of £60,000 a year. This is consistent with a tax-privileged pension of up to £40,000 a year or maximum tax-free lump sum of up to £90,000. The limit will be indexed to prices;
- the rules for tax-approved pensions, particularly affecting those who take early retirement, will be simplified and improved.

These changes will apply to schemes set up on or after Budget day and to new members joining existing schemes on or after 1 June 1989.

New simplified rules will be introduced for monitoring additional voluntary contributions. Any surplus contributions made will be returned to employees, subject to a special tax charge.

Annual contribution limits for personal pension schemes will be increased as a percentage of earnings, subject to an overall cash limit based on the £60,000 earnings limit for occupational schemes.

Life assurance

The tax regime for life assurance companies will be reformed. The main changes, to be introduced from 1 January 1990, are:

- pension and general annuity business expenses will be deductible only from pension or general annuity business profits;
- relief for expenses of acquiring new life assurance business (other than pension or general annuity business) will be spread over seven years: this change will be phased in gradually over four years.

the rate of tax charged on income and capital gains attributable to policy holders will be reduced to a rate equal to the basic rate of income tax (25 per cent);

life assurance policy duty will be abolished.

Unit trusts

A new tax regime will be introduced from 1 January 1990 for unit trusts investing in transferable securities which are freely marketable throughout the European Community under the UCITS directive. The rate of corporation tax charged on their income will be reduced to a rate equal to the basic rate of income tax (25 per cent).

Control of Borrowing Order (COBO) and deep discounted bonds

The new issues queue will be abolished by a general consent under the Control of Borrowing Order and the regime for deep discounted bonds, including certain index-linked bonds, will be amended with effect from Budget day.

Business taxation

The profits limit for the small companies' corporation tax rate of 25 per cent for financial year 1989 will be raised from £100,000 to £150,000 and the limit for marginal relief will be raised from £500,000 to £750,000.

The main rate of corporation tax for the financial year 1989 will be 35 per cent.

The apportionment rules for close companies will be abolished. Special provisions including a corporation tax rate equal to the higher rate of income tax (40 per cent) will be introduced for close investment companies which distribute less than a specified percentage of their profits.

Capital gains tax

The capital gains tax annual exempt amount will remain at £5,000 in the case of individuals and £2,500 in the case of most trusts.

The disposal value limit below which chattels are exempt from charges on capital gains will be doubled from £3,000 to £6,000.

Capital gains tax deferral on lifetime gifts will be restricted to certain types of gift — in particular, gifts of business, farm and heritage assets, gifts on which there is an immediate charge to inheritance tax, and gifts to charity.

Inheritance tax

From 6 April 1989 the threshold for inheritance tax will be increased in line with the statutory indexation provisions from £110,000 to £118,000.

VAT and car tax

From 15 March 1989 the VAT registration limits will be raised to £23,600 a year and £8,000 a quarter.

To comply with the European Court judgment of 21 June 1988 certain previously zero rated goods and services will be subject to VAT at the standard rate. As announced on 6 February, the regime will aim to minimise the tax and compliance burden.

Non-residential construction and property development will be liable to VAT from 1 April 1989 with transitional relief for prior contractual commitments. Landlords will be given the option to tax rents of non-residential buildings from 1 August 1989. VAT will also be applied from 1 April 1989 to news services, and to protective boots and helmets supplied to employers; and from 1 July 1990 it will be applied to fuel and power supplied to businesses, and to water and sewerage services supplied to industry.

VAT relief for charities will be extended to charity fund-raising events, certain types of advertising and medical sterilising equipment. Cars purchased for leasing to the disabled will be relieved of car tax.

Excise duty

The duty on unleaded petrol will be reduced by the equivalent of just under 1p a litre (nearly 4p a gallon) including VAT. A higher rate of duty will be introduced on 2 and 3 star leaded petrol. This will add nearly 1p a litre (4p a gallon) including VAT to the tax charged on these grades.

ITV levy

From 1 January 1990, the additional payments made by ITV programme contractors will be assessed on a mixture of net advertising revenue and profits.

Tax administration

In the light of recommendations by the Keith Committee, measures are proposed to:

simplify and update the system of interest and monetary penalties for tax offences;

revise the Inland Revenue's powers to obtain information about a taxpayer under enquiry, to allow questions to be put to the taxpayer and to provide the taxpayer with greater safeguards;

amend the Inland Revenue's search powers to provide greater protection for the taxpayer;

improve compliance by employers in filing end of year returns of PAYE and NIC deductions.

Tax confidentiality

Criminal sanctions will be provided against unlawful disclosure of information relating to a taxpayer by employees or former employees of the Inland Revenue and Customs and Excise.

National Insurance

From 5 October, the structure of employees' national insurance contributions will be reformed. Employees will pay Class 1 contributions equal to 2 per cent of earnings up to the lower earnings limit (£43 a week in 1989–90) and 9 per cent of earnings above the lower earnings limit, up to the upper earnings limit (£325 a week in 1989–90). Those earnings below the lower earnings limit will continue to pay no Class 1 contributions.

From 1 October the rule whereby state retirement pensioners earning more than £75 a week have their pensions reduced, and those earning over £120 a week have their pension abated entirely, will be abolished. The public expenditure cost of abolition will be about £190 million in 1989–90 and £375 million in 1990–91. This cost will be met from the Reserve, and is therefore not inluded in the Table. (Nor does the Table include the increased tax revenue that will flow from the changes, £20 million in 1989–90 and £110 million in 1990–91.)

These changes to national insurance contributions and the pensioners' earnings rule will be included in the Social Security Bill now before Parliament.

Direct effects of changes in taxation and national insurance

£ million

	Estimated effect on receipts in: 1989-90		1990-91
	Changes from a non-indexed base	Changes from an indexed base	Changes from an indexed base
INLAND REVENUE			
Income tax			
1 Increase of £180 in single allowance and of £280 in married allowance	− 1130	—	—
2 Increase of £100 in additional personal allowance and widow's bereavement allowance	− 10	—	—
3 Increase in age allowance in line with statutory indexation	− 100	—	—
4 Extension of higher age allowance for those aged 80 and over to those aged 75 and over	− 10	− 10	− 15
5 Increase of £800 in income limit for age allowance	− 15	—	—
6 Reduction in age allowance withdrawal rate	− 5	− 5	− 5
7 Increase of £1,400 in basic rate limit to £20,700	− 210	—	—
8 Fringe benefits—one third increase in car benefit scales	+ 160	+ 160	+ 200
9 Tax relief for private medical insurance for those aged 60 or over	—	—	− 40
10 Pension schemes—amendments to tax rules	*	*	*
11 Payroll giving to charities—increase in donation limit to £480 a year	*	*	*
12 Membership covenants to heritage charities	− 5	− 5	− 10
13 Liberalisation of profit-related pay legislation	− 10	− 10	− 15
14 Increase in approved employee share limits	*	*	*
15 Employee priority in public offer of shares	*	*	*
16 Changes in material interest tests	*	*	− 5
17 Abolition of tax relief on new loans to buy Business Expansion Scheme shares	*	*	+ 5
18 Schedule E—change to receipts basis of assessment	− 80	− 80	− 60
19 Changes in settlements provisions where settlor or spouse can benefit	*	*	*
20 Tax deductible from tax credit payments to US companies	—	—	—
Income tax and corporation tax			
21 Life assurance companies—pensions measures	—	—	+ 155
22 Life assurance companies—acquisition costs and rate reduction	—	—	− 30
23 Abolition of close company apportionment	*	*	*
24 Capital allowances—safety at sports grounds and miscellaneous amendments	*	*	*
25 Extension of relief for pre-trading expenditure	*	*	*
26 Subcontractor tax scheme—reduction in paperwork requirements	—	—	—
Income tax and capital gains tax			
27 Personal Equity Plans—increase in limits etc.	− 5	− 5	− 10
Income tax, corporation tax and capital gains tax			
28 Keith committee—administrative changes	*	*	*
29 Deep discounted bonds—taxation of uplift as income	—	—	+ 15
30 Tax charge on switching investments in offshore funds	*	*	*
Corporation tax			
31 Increase in profits limits for small companies rate and marginal relief	*	*	− 35
32 Reduction in tax rate for certain unit trusts	—	—	*
33 Relief for payments to ESOP trusts	*	*	*
34 Advance corporation tax amendments	*	*	*
35 Sale of subsidiaries	*	*	*
Capital gains tax			
36 No change in annual exempt amount	—	*	+ 10
37 Restriction of gifts relief	*	*	+ 25
38 Change in the rules for Lloyd's underwriters—stock lending	—	—	*
Capital gains tax and corporation tax			
39 UK branches of foreign businesses—changes affecting capital gains	*	*	*
40 Technical changes associated with rebasing of capital gains	*	*	*
41 Increase in capital gains chattels exemption to £6,000	*	*	*
42 Exemption of certain bonds from charges on capital gains	*	*	*
Capital gains tax and inheritance tax			
43 Gifts to housing associations	*	*	*
Inheritance tax			
44 Increase of £8,000 in threshold	− 35	—	—
45 Changes in rules for varying dispositions on death	+ 5	+ 5	+ 15
Stamp duties			
46 Abolition of life assurance policy duty	− 20	− 20	− 80
TOTAL INLAND REVENUE	**− 1470**	**+ 30**	**+ 120**
CUSTOMS AND EXCISE			
Value added tax			
47 Increase in registration limit	*	*	*
48 Revised tax regime for construction, buildings and land	+ 310	+ 310	+ 440
49 Change in liability of news services	+ 5	+ 5	+ 5
50 Change in liability of certain protective boots and helmets	*	*	*

* = *Negligible* — = *Nil*

Direct effects of changes in taxation and national insurance—*(continued)*

£ million

	Estimated effect on receipts in: 1989-90		1990-91
	Changes from a non-indexed base	Changes from an indexed base	Changes from an indexed base
51 Change in liability of certain supplies of fuel and power	—	—	+ 90
52 Change in liability of certain water and sewerage services	—	—	*
53 Reliefs for charities	— 5	— 5	— 5
54 Relief for research and development cars	*	*	— 5
55 Self-supplies—input tax	*	*	*
Car tax			
56 Relief for vehicles leased to disabled	— 10	— 10	— 10
Excise duties			
57 Reduction in duty on unleaded petrol	— 35	— 65	— 135
58 Increase in duty on 2 star and 3 star petrol	— 5	— 30	— 35
59 No change in rate of duty on 4 star petrol etc.	—	— 385	— 395
60 No change in rate of duty on derv	—	— 95	— 105
61 No change in rate of duty on minor oils	—	— 10	— 10
62 No change in rates of tobacco products duties	—	— 235	— 250
63 No change in rate of spirits duty	—	— 65	— 70
64 No change in rate of beer duty	—	— 140	— 155
65 No change in rate of duty on cider and perry	—	— 5	— 5
66 No change in rate of duty on wine and made-wine	—	— 45	— 50
67 Restriction on blending of duty-paid made-wine	*	*	*
68 Determination of original gravity of beer	*	*	*
69 Relief from duty and tax for diplomats etc.	—	—	—
TOTAL CUSTOMS AND EXCISE	**+ 260**	**— 775**	**— 695**
Vehicle excise duty			
70 Increase in VED rates for taxis, buses and coaches	+ 20	+ 20	+ 20
71 Increase in VED rates for certain lorries and other vehicles	+ 20	— 15	— 20
72 No change in VED on cars, light vans and main lorry rates	—	— 155	— 170
TOTAL VED	**+ 40**	**— 150**	**— 170**
Other			
73 ITV levy re-basing	—	—	+ 45
74 Sale of vehicle registration marks	*	*	+ 10
75 Unauthorised disclosure of confidential information	—	—	—
TOTAL OTHER	*	*	+ 55
TOTAL CHANGES IN TAXATION	**— 1170**	**— 895**	**— 690**
National insurance contributions			
76 Employee contributions reformed and reduced	— 980	— 980	— 2 800
TOTAL CHANGES TO NATIONAL INSURANCE CONTRIBUTIONS	**— 980**	**— 980**	**— 2 800**
TOTAL BUDGET CHANGES	**— 2 150**	**— 1 875**	**— 3 490**

* = *Negligible* — = *Nil*

ANNEX

How the figures have been calculated

The table gives the direct effects of changes in taxation. Estimates are rounded to the nearest £5 million. 'Negligible' means less than £3 million.

The direct effect of a tax change is the difference between the yield of the tax which would arise on the basis of the rates of tax, allowances, etc prevailing before the Budget (the pre-Budget regime) and the yield after the changes proposed in the Budget (the post-Budget regime). The difference in yield is generally calculated by applying the pre- and post-Budget regimes to the same tax base. This base is the post-Budget base—that is, the levels of income, consumption, profits, etc forecast for future years on the assumption that all the measures proposed in the Budget take effect.

Tax changes may cause changes in taxpayers' behaviour, which in turn can alter the tax base and hence revenue. The direct effects are estimated subject to the constraint that, in general, total incomes and total expenditure are fixed at their post-Budget levels. Thus the estimates in the table do not include income effects—that is, effects arising solely from the impact of changes in taxes on disposable incomes. Nor do they include the effects of changes in the tax base arising from changes in pre-tax incomes, the general level of prices or other macro-economic variables which may result from the proposed tax change. But other behavioural effects are taken into account where it is thought that they will have a significant effect on the yield.

For Customs and Excise taxes and duties, all the estimates of yield incorporate the effects of the tax changes on relative prices and associated changes in the pattern of consumers' expenditure. Aggregate income and consumers' expenditure at factor cost are assumed not to change. This is a slight modification of previous practice in which nominal consumers' expenditure at market prices, rather than at factor cost, was held constant. Examples where behavioural effects are taken into account for Inland Revenue taxes include changes involving the take-up of a new or modified relief.

The figures in the first column of the table show the direct effect of the Budget proposals on receipts in 1989–90. Budget proposals are compared with a non-indexed base—that is, with the pre-Budget regime of allowances, thresholds and rates of duty at 1988–89 levels.

The figures in the second column show the direct effect of the Budget proposals on receipts in 1989–90, measured against an indexed base. The indexed base for 1989–90 is obtained by increasing 1988–90 allowances, thresholds and rates of duty by 6.8 per cent, the increase in the RPI over the year to December 1988.

The figures in the third column show the direct effect on receipts in 1990–91, also measured against an indexed base. For this comparison, both the Budget proposals and the indexed base for 1989–90 have been further indexed by the forecast movement in the RPI between the fourth quarters of 1988 and 1989.

The remainder of this annex provides a commentary on the Budget proposals in the Table; the paragraph numbers refer to the lines in this table. Additional information is provided for those proposals where the effect on tax liabilities in the first complete year to which the change applies (full year effect) is substantially different from the effect on receipts in either 1989–90 or 1990–91; or where the impact of the proposals is expected to build up over a period of years.

Income tax

1 to 5 The increases in the main income tax allowances are in line with the statutory indexation provisions (based on the increase of 6.8 per cent in the RPI in the year to December 1988). The higher level of age allowance currently given to those aged 80 and over will be extended to those aged 75 and over.

6 The age allowance withdrawal rate will be reduced from £2 of allowances for each £3 of income to £1 of allowances for each £2 of income above the income limit of £11,400.

7 The increase in the basic rate limit is in line with the statutory indexation provisions.

8 For 1989–90 the scales for taxing car benefits will be increased by one third from their 1988–89 levels. The estimated yield takes account of behavioural effects.

9 Tax relief will be available (with basic rate relief given at source) for eligible premiums paid in 1990–91 and subsequent years for private medical insurance for those aged 60 and over. The cost for 1990–91 assumes an increase in take-up in the region of 10 per cent as a result of the new relief. Eventual costs will depend, among other things, on the extent to which medical insurance for the over-60s is promoted and taken up.

10 The amendments to the tax rules for pension schemes will mean that:

> for tax-approved schemes, earnings over £60,000 a year will be ignored for the purpose of calculating benefits (consistent with a maximum pension of £40,000, or tax-free lump sum of £90,000). Other amendments will be made to the tax rules to improve early retirement benefits, to allow a two-thirds final salary pension on retirement after 20 years' service between ages 50 and 70 and to simplify calculation of tax-free lump sums. These changes apply to new schemes set up on or after 14 March 1989 and to new members joining existing schemes on or after 1 June 1989;
>
> employers will be able to set up top-up schemes with no limits on benefits, but without tax privileges such as tax-free investment build-up;

new rules will allow surplus voluntary contributions to be returned to the member instead of reducing benefits from the employer's scheme. The voluntary scheme will deduct a 35 per cent charge from the refund to recoup the tax advantages enjoyed on contributions and build-up. There will be a further liability on higher rate taxpayers;

changes will be made to the personal pensions tax rules to increase from 6 April 1989 the age-related contribution limits. The increased limit will be subject to the £60,000 earnings cap. And the rules for calculating tax-free lump sums will be simplified.

These measures are expected to have a broadly neutral revenue effect in the early years.

11 The limit on charitable donations qualifying for relief under payroll deduction schemes will be increased from £240 to £480 a year from April 1989. The cost will depend on take-up.

12 The conditions for relief for charitable covenants will be relaxed so that where a member of a heritage charity is given free or cheap entry to view the charity's property, that benefit will not disqualify the covenant payments from relief. The cost will depend on take-up.

13 The main amendments to the profit-related pay (PRP) legislation will:

abolish the '5 per cent test' on a PRP scheme's eligibility for registration;

increase to £4,000 the cash limit on the amount of PRP attracting tax relief;

allow scheme employers to alter, subject to conditions, the rules of PRP schemes already registered; and

enable PRP schemes to be registered for certain employment units using the profits of the whole business rather than of the employment unit itself.

The cost will depend on take-up.

14 The annual limit on the value of shares which may be given to an employee under an approved all-employee profit-sharing share scheme will be increased, with effect from 6 April 1989, from £1,250 (or 10 per cent of pay up to a maximum of £5,000) to £2,000 (or 10 per cent of pay up to £6,000). The limit on monthly savings made by an employee under an approved savings-related share option scheme will be increased, from a day to be appointed, from £100 to £150. The maximum discount on the share price at which options may be granted under these schemes will be increased from 10 per cent to 20 per cent. The use of consortium shares in an approved employee share scheme will be extended to include the shares of any member of a consortium owing 5 per cent or more of the company's ordinary share capital in place of the previous 15 per cent limit.

15 There will be relaxations in the conditions under which income tax relief is given to employees who benefit by virtue of their employment from priority in applying for a public offer of shares.

16 Changes will be made in the material interest tests relating to an employee's eligibility to participate in an approved employee share scheme or a registered profit-related pay scheme, and an individual's entitlement to close company interest relief. Subject to certain conditions, shares held by a trust of which the employee is a beneficiary will be disregarded when reckoning whether he has material interest.

17 Relief for interest on loans to acquire Business Expansion Scheme shares on or after 14 March 1989 will be abolished.

18 From 6 April 1989 Schedule E emoluments will be assessed for the year in which they are received instead of the year for which they are earned. There will be a transitional cost, but from 1992–93 when the transition is complete, there will be an annual yield of about £50 million.

19 A change will be made to the provisions which treat certain settlement income as the settlor's for higher rate tax purposes to ensure that income from outright gifts between husband and wife wil be treated under Independent Taxation as the income of the recipient of the gift. For certain other settlements the present provisions will be extended to the basic rate, producing a small revenue yield.

20 Legislation will be introduced to make clear the amount of UK tax that is deductible from UK tax credits to which non-residents may be entitled under a double taxation convention. This measure will prevent a potential Exchequer loss of about £15 million a year.

Income tax and corporation tax

21 From 1 January 1990, life assurance companies will be allowed to set relief for the expenses of pension, general annuity and other life assurance business only against their resepctive profits. There will be other measures to align the tax treatment of pension profits more closely with industry accounting practice. The yield in 1990–91 and the immediately following years is reduced by the carry-forward of unrelieved expenses from past years. The long term yield is expected to be around £¼ billion a year.

22 Other changes will be made from 1 January 1990 to the rules for taxing life assurance companies: in particular, to spread over seven years the relief for the costs of acquiring new business (other than pension and general annuity business), subject to transitional arrangements in the first four years; and to reduce the corporation tax rate on income and capital gains attributable to policy holders to 25 per cent. The impact of these measures in 1990–91 and subsequent years is affected by the proposed transitional arrangements. The long-run effect is expected to be broadly revenue-neutral.

23 The apportionment rules for close companies will be abolished. A higher rate of corporation tax equal to the higher rate of income tax of 40 per cent will be introduced for close investment companies which distribute less than a specified percentage of their profits. A close investment company will no longer get tax relief for interest payments, annual payments or management expenses unless these would have been deductible if paid by a individual.

24 The legislation relating to capital allowances for safety expenditure at sports grounds will be amended from 1 January 1989 to take account of the extension of safety certificate requirements to regulated stands at undesignated sports grounds. Minor amendments will be made to the capital allowances legislation to correct defects and anomalies in advance of the consolidation of that legislation.

25 The period for which relief may be available for business expenditure incurred before a trade begins will be increased from three to five years. The cost of this proposal will take some years to build up and could amount to tens of millions of pounds.

26 Subject to consultation, the paperwork requirements of the scheme for subcontractors in the construction industry will be reduced.

Income tax and capital gains tax

27 The main changes are:

- an increase in the overall annual limit on investment in a Personal Equity Plan to £4,800;
- within that an increase in the limit for investment in authorised unit trusts and investment trusts to £2,400, coupled with a new requirement that the trust must invest mostly in UK equities;
- significant simplifications for plan managers; and
- the facility for new share issues to be brought within plans.

The costs assume take-up in the region of 400,000 in the first full year. The cost is likely to reach £30 million after five years.

Income tax, corporation tax and capital gains tax

28 In the light of recommendations of the Keith Committee, administrative changes will be made:

- to update the system of monetary penalties for tax offences in line with inflation and remove obsolete penalties;
- to introduce a uniform time limit of 20 years for recovery of tax lost through default;
- to allow taxpayers further time to claim reliefs where an Inspector discovers that further tax is due;
- to revise the Inland Revenue's powers to obtain information about a taxpayer under enquiry, to allow questions to be put to the taxpayer, provide greater safeguards for the taxpayer and protect audit papers and tax advice from disclosure by his accountant;
- to amend the Inland Revenue's search powers to provide greater safeguards for the taxpayer;
- to create a new criminal offence for the deliberate destruction of documents called for under the Inland Revenue's information powers;
- to change the filing date for returns of PAYE and NIC deductions by employers from 19 April to 19 May, tighten up the penalties for late filing gradually over a period of years, leading to the introduction of automatic penalties for all late filing (but not before 1995).

The effect on revenue in subsequent years is expected to be small.

29 From Budget day the existing corporate deep discount legislation in Schedule 4 ICTA 1988 will be widened to include non-variable deep discounted securities issued by non-corporate borrowers. On a sale or redemption the accrued discount will be taxed as income. Any excess or shortfall will be taxed as a capital gain or loss unless the security is exempt from capital gains tax as a qualifying corporate bond. Where deep discounted securities have variable features so that the precise accrued discount at any particular time cannot be determined in advance (including certain index-linked bonds), the whole of the uplift between cost price and sale or redemption price will be taxed as income. The eventual yield is uncertain but is estimated at around £50 million.

30 A tax charge wil be imposed on UK investors on gains when they switch holdings within an offshore fund.

Corporation tax

31 The profits limit for the small companies' corporation tax rate of 25 per cent for financial year 1989 will be raised from £100,000 to £150,000 and the limit for marginal relief will be raised from £500,000 to £750,000.

32 From 1 January 1990 all unit trusts that are UCITS (Undertakings for Collective Investment in Transferable Securities) under the relevant European Communities legislation will be subject to corporation tax on their income at a rate of 25 per cent. The cost will rise to about £20 million from 1991–92 onwards.

33 Payments made by a company to an ESOP trust will be deductible in calculating its corporation tax liability where the trust meets conditions aimed at ensuring the distribution of shares in the company to all of its employees, on similar terms, within a reasonable time.

34 Various minor changes will be made to the advance corporation tax (ACT) rules concerning a company which is part of a group or consortium.

35 Measures will be introduced to counter avoidance of tax on disposals of subsidiaries in ways which could cause a substantial loss of tax.

Capital gains tax

36 The capital gains tax annual exempt amount will remain at £5,000 in the case of individuals and £2,500 in the case of most trusts.

37 Capital gains tax gifts relief (which allows deferral on gifts) will be restricted to certain types of gift, the main categories being gifts of business, farm and heritage assets and gifts on which there is an immediate charge to inheritance tax. The revenue yield in 1991–92 is estimated at £40 million. The change will not affect gifts to charities or between spouses.

38 The capital gains tax rules and rules about the transfer of securities applying to assets held by Lloyd's underwriters in their premiums trust funds wil be amended to facilitate stock lending to market makers.

Capital gains tax and corporation tax

39 Changes will be made to the rules for the taxation of capital gains of foreign businesses with UK branches or agencies or with operations on the UK continental shelf. The main effect will be to counter possible developments which could lead to a significant loss of tax.

40 Technical changes will be made in relation to the application of the provisions in the Finance Act 1988 for rebasing the taxation of capital gains to 1982 in certain special situations.

41 Chattels with a disposal value of less than £3,000 are exempt from charges on capital gains. The limit will be doubled to £6,000.

42 Certain sterling bonds will be exempted from capital gains tax and corporation tax on gains. The main effect will be to counter use of the indexation allowance in ways which could cause a significant loss of tax.

Capital gains tax and inheritance tax

43 Gifts of land to registered housing associations will qualify for capital gains tax deferral and inheritance tax exemption.

Inheritance tax

44 The estimated full year cost of indexation attributable to taxable estates in 1989–90 is £80 million.

45 The facility for varying the disposition of a deceased person's assets with effect for inheritance tax will be limited to those variations making adequate provision for his or her dependants.

Stamp duties

46 Life assurance policy duty will be abolished from 1 January 1990. The cost in 1990–91 takes account of the consequential change in corporation tax liability.

Value Added Tax

47 From 15 March 1989, the registration limits will become £23,600 a year and £8,000 a quarter.

48 From 1 April 1989, VAT will be applied at the standard rate to the construction and sale of new non-residential buildings. Transitional relief will allow zero rating to continue for certain developments where legal commitments had been entered into before 21 June 1988. From 1 August 1989, landlords will be able to opt to charge tax on their non-residential rents and sales of used buildings and VAT at the standard rate will be applied in limited circumstances to building land where this is necessary to ensure fair competition. Tenants whose landlords opt to tax existing leases will pay tax on only half of the rent in the first year. The phasing in period will be five years where the tanant is a charity.

49 From 1 April 1989, VAT will be applied at the standard rate to news services (but not newspapers).

50 From 1 April 1989, VAT will be applied at the standard rate to protective boots and helmets supplied to employers.

51 From 1 July 1990, VAT will be applied at the standard rate to fuel and power supplied to businesses.

52 From 1 July 1990, VAT will be applied at the standard rate to water and sewerage services supplied to industry.

53 From 1 April 1989, VAT relief for charities will be extended to charity and certain other fund-raising events, medical sterilising equipment and classified and certain other types of advertising.

54 From 1 August 1989, all cars used by manufacturers for research and development purposes will be relieved of VAT.

55 From Royal Assent, Customs and Excise will be given the power to determine, by regulation, the correct attribution of input tax in respect of self-supplies of goods and services.

Car tax

56 From 1 April 1989, vehicles purchased for leasing to the disabled will be relieved of car tax.

Excise duties

57 The duty on unleaded petrol will be reduced by the equivalent of 0.8p a litre (3.6p a gallon) including VAT.

58 A higher rate of duty will be introduced on two and three star leaded petrol. This will add 0.9p a litre (4.1p a gallon) including VAT to the tax charged on these grades. Despite the increase in duty, the revenue effect of this change is negative as a result of expected switching from two and three star to unleaded petrol.

59–66 There will be no change in the rates of duty on other hydrocarbon oils, alcoholic drinks and tobacco products.

67 The duty arrangments for made-wine will be brought into line with those applicable to wine of fresh grapes by prohibiting duty-paid blending.

68 The rules for determining the original gravity of beer for duty purposes will be clarified.

69 Statutory provision will be made for a number of duty and tax reliefs currenty granted to diplomats, members of international organisations and visiting forces by means of extra-statutory class concessions. A power to impose sanctions for breaching the conditons of the reliefs will be introduced.

Vehicle excise duties

70 From 15 March 1989, the number of duty rates for coaches and buses will be reduced from over sixty to five and rates will be increased; duty rates will also be increased for taxis.

71 From 15 March 1989, the rates of duty on certain rigid lorries will be increased to bring them more into line with rates for articulated vehicles of similar gross weight. The rate of duty for special types capable of carrying very long, wide or heavy loads will be increased to £3,100.

72 There will be no change in the duties on cars, light vans, motor cycles and most lorries.

Other

73 From 1 January 1990, the additional payments made by ITV programme contractors will be assessed on a mixture of net advertising revenue and profits.

74 A pilot scheme making certain vehicle registration marks available for sale to the public will begin in December 1989.

75 Criminal sanctions will be provided against unlawful disclosure of information relating to a taxpayer by employees or former employees of the Inland Revenue and Customs and Excise.

National insurance contributions

76 From 5 October 1989, employees will pay Class 1 contributions equal to 2 per cent of earnings up to the lower earnings limit (£43 a week in 1989–90) and 9 per cent of earnings above the lower earnings limit, up to the upper earnings limit (£325 a week in 1989–90). Those earning below the lower earnings limit will continue to pay no Class 1 contributions.

The Economy: recent developments and prospects to mid-1990

The following notes and tables are taken from the *Financial Statement and Budget Report 1989–90* (HMSO, March 1989) (Price £7.80):

Summary

GDP is forecast to grow by 2½ per cent in 1989; this is below the average of recent years and comes after two years of above average growth. RPI inflation should fall to 5½ per cent by the end of the year.

GDP is estimated to have risen by 4½ per cent in 1988. Domestic demand rose by 6½ per cent, with investment rising by 12 per cent and consumption by 6½ per cent. Business investment is forecast to continue to grow strongly this year, and consumer spending to slow sharply. For 1989 as a whole total domestic demand is forecast to rise by 2½ per cent. GDP growth in 1989 is forecast at 2½ per cent (3 per cent for non-oil GDP), with growth through the year at 2 per cent.

Retail prices rose by 6½ per cent in the year to the fourth quarter of 1988. RPI inflation is forecast to fall to 5½ per cent by the fourth quarter of this year and to 4½ per cent by the middle of 1990.

Employment has risen sharply over the past year to an all time high. Unemployment fell by 530,000 in the year to January, but is most unlikely to continue falling at the same rapid rate in 1989.

GNP growth in the main industrial economies was about 4 per cent last year; it is forecast to ease to 3 per cent in 1989. World trade in manufactures rose by 10 per cent in 1988, and is forecast to rise a further 8 per cent this year.

After a sluggish start in early 1988 export volumes of manufactures picked up quickly; in the second half of 1988 they were 5 per cent higher than a year earlier. Import volumes rose even more rapidly, boosted by strong domestic demand, especially business investment. The current account moved into large deficit in 1988; it is forecast to show a deficit in 1989 similar to that in 1988, and to fall thereafter.

The forecast assumes that fiscal and monetary policy are operated within the framework of the Medium Term Financial Strategy. It assumes that North Sea oil prices and the exchange rate remain close to recent levels.

There have been major inconsistencies in the recorded national and sectoral accounts. For its assessment of recent developments the Treasury has used the latest CSO data, which incorporate some substantial revisions to previous published estimates. The annex to this chapter assesses the latest data. The CSO will publish a full set of national accounts on March 17,[1] which will include some description of these revisions.

World economy

Real GNP in the major seven economies is estimated to have grown by 4 per cent in 1988, compared with 3½ per cent in the previous year and an average growth of 3½ per cent a year from 1982 to 1987. Domestic demand grew at about the same rate as GNP in 1988. Growth was particularly strong in Japan and the US in the first half of the year.

Business investment grew rapidly in all the major seven countries in 1988 (averaging almost 12 per cent); and export growth was also strong (over 9 per cent). Investment was boosted by rising profitability, increased capacity utilisation and high levels of business confidence. Growth in private consumption was about 3½ per cent, little changed on 1987.

World trade in manufactures was boosted in 1988 by high investment, and probably grew by around 10 per cent, the fastest annual growth rate since 1984.

Capacity utilisation in manufacturing rose strongly in 1988, to levels at or above the previous peaks reached in 1979 and 1980. Unemployment fell significantly in North America and the UK.

Non-oil commodity prices, particularly of industrial materials and metals, rose sharply in the first half of 1988. After significant falls from the mid-year peak they have risen again in recent months. Oil prices drifted downward for much of 1988, but have firmed since November.

1 This article is a verbatim copy of chapter three of the *Financial Statement and Budget Report* produced by HM Treasury on March 14. The CSO estimates which are described as 'due to be published on March 17' have now been produced and are included in the tables in the main body of this edition of *Economic Trends*.

In the fourth quarter of 1988 consumer price inflation averaged 3½ per cent in the major industrial countries, slightly higher than a year earlier. But there have been some recent indications of increased inflationary pressures. Interest rates have risen since the spring of last year in all major seven economies except Japan. For major countries as a whole the average increase was about 2 percentage points.

Continued progress in reducing current account imbalances was made in early 1988, with significant reductions in both the US deficit and Japanese surplus. But little or no further progress was made in the second half of the year.

Table 1 shows the forecast for activity and inflation in the major seven countries, and for world trade.

Table 1 World economy

	Percentage changes on previous year			
		Estimate	Forecasts	
	1987	1988	1989	1990 H1
Major seven countries [1]				
Real GNP	3½	4	3	2½
Real domestic demand	4	4½	3	2½
Industrial production	3½	6	4½	2½
Consumer prices	3	3¼	4¼	3¾
World trade, at constant prices				
Total imports	5½	8½	6	5
Trade in manufactures	7½	10	8	5½

1 US, Japan, Germany, France, UK, Italy and Canada.

GNP growth is expected to slow through 1989 as the investment cycle passes its peak and as the effects of tighter monetary policy work through. The forecast growth of 3 per cent is close to estimates of productive potential. The slowdown is expected to be more marked in North America than in Continental Europe.

Growth of world trade in manufactures is expected to slow to about 5½ per cent by mid–1990, still above the trend rate for the period 1973 to 1987.

The forecast slowdown in world economic growth suggests that recent commodity price inflation should abate; commodity prices are forecast to remain constant in real terms. With world demand slowing, consumer price inflation in the major seven economies is forecast to fall back from 4¼ per cent in 1989 to about 3¾ per cent by mid–1990.

Little further progress is expected in reducing the current account imbalances in nominal terms in 1989.

UK trade and the balance of payments

UK manufacturing unit labour costs rose by 2½ per cent in 1988, a little more than in 1987; productivity growth did not fully offset a continuing high level of pay increases. Unit labour costs in the other major countries fell slightly on average. This, together with sterling's appreciation, resulted in a rise in the UK's relative unit labour costs. But cost competitiveness still remains more favourable than in 1985, before the fall in world oil prices. The maintenance of competitiveness in the year ahead will depend on success in restraining unit cost increases.

Table 2 The exchange rate and cost competitiveness

	Sterling index (1985 = 100)	Relative unit labour costs (1985 = 100)
1985 Q4	101.4	104.0
1986 Q4	85.1	83.2
1987 Q4	92.7	93.6
1988 Q4	96.7	98.3

After erratically low figures in the first quarter of 1988, the volume of UK manufactured exports has since risen strongly as world trade has continued to expand. In the second half of 1988 the volume of exports of manufactures was 5 per cent higher than a year earlier. Manufactured export volumes are forecast to rise by 7½ per cent in 1989, close to the projected growth of world trade. A slightly faster rate of growth is forecast for non-manufactured exports.

Table 3 Visible trade

	Percentage changes on previous year					
	All goods			Goods less oil		
	Export volume	Import volume	Terms of trade [1]	Export volume	Import volume	Terms of trade [1]
1987	5	7	1	6½	8	1
1988	–½	13	2	3	14½	2½
1989 Forecast	5½	5½	1½	7½	4½	–½

1 Ratio of export average values to import average values.

The rise in non-oil imports, by 14½ per cent in 1988, was much faster than that of exports, reflecting the strength of domestic demand and capacity shortages in some industries. Imports of capital and intermediate goods rose fastest; the increase in the growth of imports of consumer goods in 1988 was entirely attributable to passenger cars. Further high investment is likely to sustain continued high levels of capital goods imports in 1989. Nonetheless the slowdown in overall domestic demand and the extra capacity available from the current investment boom means that import growth is forecast to slow significantly in 1989, to around 5 per cent.

Table 4 Growth of import volumes by category of manufactured goods

	Percentage changes on previous year		
	1986	1987	1988
Consumer goods	9	7	17
Capital goods	–1	10½	22
Intermediate goods	9	13	23
Semi-manufactured goods	6	10	12

The oil trade surplus fell by just under £2 billion in 1988, to £2½ billion. This was a result of lower oil prices, a decline in production (mainly due to the Piper Alpha disaster), and increased domestic demand for oil. The temporary shutdowns in the Brent and Fulmar fields are expected to contribute to a further fall in production in 1989. Production is forecast to rise a little from mid–1989 as output recovers from the effects of the accidents. The oil trade surplus is forecast to fall again in 1989 to £2 billion, mainly as a result of the fall in production in the first half of the year.

The terms of trade have improved somewhat over the past year, with the higher exchange rate more than offsetting the effects of falling oil prices. No significant change is forecast in the non-oil terms of trade this year, although the oil terms of trade may improve

considerably, since the temporary shortage of North Sea quality crude, following the various accidents, is likely to raise its premium over other crudes.

The surplus on invisibles is provisionally estimated to have fallen by £1½ billion to £6 billion in 1988. This was mainly due to a decline in the surplus on services, offset to some extent by higher net receipts of interest, profits and dividends (IPD). The invisibles surplus is forecast to be £7 billion in 1989 as projected improvements in the services and IPD balances are partly offset by increased net transfers overseas, largely the result of higher net contributions to the European Community budget.

The current account is estimated to have been in deficit by £14½ billion in 1988. However, the deficit may be overstated to some extent given the magnitude of the balancing item. (The balancing item is the difference between the balances on the current and capital accounts.) The deterioration relative to the forecast in last year's FSBR was mainly due to the unexpected strength of domestic demand, particularly investment, combined with very high levels of capacity utilisation in some industries.

Table 5 Current account

£ billion

	Manufactures	Other	Oil	Invisibles	Current balance	Balancing item
1987	−7½	−7	4	7½	−3	12½
1988	−14½	−8½	2½	6	−14½	15
1989 Forecast	−15½	−8	2	7	−14½	

Though the current account deficit is expected to fall from recent levels with the slowdown in growth of domestic demand, the recorded deficit for 1989 as a whole is forecast to be unchanged.

Demand and Activity

The economy probably grew by 4½ per cent in 1988. Growth was strong throughout the non-oil economy; manufacturing output rose by 7 per cent, construction output by 7 per cent and output of the service industries by 5 per cent. Problems with recent estimates of the expenditure measure of GDP mean that recorded growth in domestic demand in 1988, at 6½ per cent, may be an underestimate.

Consumer spending is estimated to have risen by 6½ per cent in 1988, a little faster than in 1987, and the personal sector saving ratio once again fell. The fall in the personal sector saving ratio in recent years is probably due to a number of factors. First, there has undoubtedly been greater consumer confidence as a result of sustained growth, falling unemployment and rising wealth. Second, greater wealth itself (especially housing wealth) has led to a perceived need for lower savings relative to income. Finally, financial deregulation and innovation has led to greater competition in credit markets, enabling people to borrow more relative to income.

Consumer spending is forecast to rise much more slowly this year than last, growing by 2 per cent between the second half of 1988 and the second half of 1989. The slowdown in retail spending growth in recent months indicates that personal spending is already moderating. The household sector is now a substantial net payer of interest. Higher interest rates are likely to reduce new borrowing and increase saving. The personal sector saving ratio is forecast to recover slowly.

The housing market was particularly buoyant in the first half of 1988. But there are now clear signs that it is easing. Building society mortgage lending commitments have fallen markedly from the high levels of last summer, and there is increasing evidence that house prices in the South East have stopped rising. House price inflation is likely to be very low through 1989, and total private housing investment is expected to decline.

Business investment rose sharply in 1988, by 14½ per cent. A strong surge in investment is consistent with expectations outlined in CBI Surveys and DTI Investment Intentions Surveys. The same surveys point to further strong growth in 1989. Over the past 7 years total investment has grown over twice as fast as total consumption.

Table 6 Gross fixed domestic capital formation

	Weights in 1987	Percentage changes on previous year: 1988	Forecast 1989
Business [1,3]	66	14½	8
Private dwellings etc [2]	21	11	−5½
General government [3]	13	1	3
Total fixed investment	**100**	**12**	**4½**

1 Includes investment by public corporations.
2 Includes purchases *less* sales of land and existing buildings for the whole economy.
3 Excludes purchases *less* sales of land and existing buildings.

Stockbuilding is estimated to have been greater in the second half of 1988 than in the first half. But it is likely to be lower in 1989, with some destocking in the second half, as the growth of domestic demand slows down. The long run downward trend in the total stock-GDP ratio is expected to continue.

Non-North Sea industrial and commercial company sector profits (net of stock appreciation) are estimated to have risen by about 20 per cent in 1988; since 1984 profits have risen on average by 22 per cent a year. In 1988, the rate of return of non-North Sea industrial and commercial companies rose for the seventh successive year. Manufacturing profit margins rose strongly.

Table 7 shows that, as a share of GDP, total saving has remained unchanged since 1986, with rising company and public sector saving offsetting falling personal sector saving.

Table 7 Saving[1]

Per cent of GDP at factor cost

	Personal sector	Company sector	Total private	Public sector	Total national
1985	7.5	12.9	20.4	1.0	21.4
1986	5.6	13.6	19.2	1.3	20.6
1987	3.6	15.2	18.8	1.6	20.4
1988	1.6	15.3	16.9	3.7	20.6

1 Published CSO data to 1988Q3.

The fall in private sector saving since 1985 has come at the same time as a steep rise in private sector investment. The result has been an increased call on overseas savings and hence a current account deficit.

Growth of domestic demand is forecast to fall sharply from a recorded 6½ per cent in 1988 to 2½ per cent in 1989, because

of the slowdown in consumption and investment growth and some destocking. Domestic demand is forecast to rise by only 1½ per cent between the second halves of 1988 and 1989. GDP is forecast to rise by 2½ per cent in 1989, and 2 per cent between the second half of 1988 and the second half of 1989. Declining North Sea production and the temporary effects of recent accidents may reduce GDP growth by ½ per cent in 1989, but the recovery from these accidents is forecast to produce higher growth of total GDP than of non-oil GDP in the year to the first half of 1990. Manufacturing output is forecast to grow slightly less than non-oil GDP through 1989, following two years of very rapid growth in 1987 and 1988.

Table 8 Domestic demand and GDP

	Percentage changes on a year earlier					
			Forecast			
	1988		1989		1990 H1	
Domestic demand	6½		2½		1½	
Exports of goods and services [1]	−1	(1½)	4½	(6)	7	(6)
Imports of goods and services [1]	12	(13½)	4½	(4)	3	(3)
GDP [1,2]	4½	(5)	2½	(3)	2½	(2)
Manufacturing production	7		3½		1½	

1 Non-oil shown in brackets.
2 Compromise measure.

Inflation

The annual rate of retail price inflation was 6½ per cent in the fourth quarter of 1988, a little higher than forecast in the Autumn Statement. Excluding mortgage interest payments, RPI inflation was 5 per cent.

According to CBI data, pay settlements in manufacturing are estimated to have risen to just under 7 per cent in the fourth quarter of 1988, about 1 per cent higher than a year earlier, with service sector settlements slightly higher. Average earnings rose by 8¾ per cent in the year to December, with earnings in manufacturing boosted by continued high overtime. Unit labour costs in manufacturing are estimated to have risen by 2½ per cent in 1988. UK manufacturing industry's profit margins increased significantly again in 1988, for the sixth year running. Margins are unlikely to continue to grow during 1989, given the forecast deceleration in domestic demand and activity.

Table 9 Costs in manufacturing

	Percentage changes on previous year			
	Unit labour costs	Cost of materials and fuel [1]	Estimated total unit costs [2]	Output prices [1]
1987	¾	5	1¾	4¼
1988 Partly forecast	2½	4¾	2¼	4¾
1989 Forecast	4	5¼	4¼	5½

1 Producer prices excluding food, drink and tobacco industries.
2 Including costs of bought-in goods services.

Retail price inflation is likely to moderate to 5½ per cent by the final quarter of 1989 as the effects of past increases in mortgage interest rates start to drop out and as retailers' profit margins are squeezed following the deceleration in consumer demand.

Table 10 Retail prices index

	Weight in 1988	Percentage changes on previous year		
			Forecasts	
		1988 Q4	1989 Q4	1990 Q2
Food	16¼	4	4¼	4
Nationalised industries	5½	7½	7	6
Housing	15¼	16½	10½	3¾
Other	63	4¾	4½	4½
Total	100	6½	5½	4½

The GDP deflator, which measures the price of domestic value added (principally unit labour costs and profits per unit of output), is forecast to have risen by 7¼ per cent in 1988-89 and to rise by 5½ per cent in 1989-90. The rise in the GDP deflator in 1988-89 has been boosted by changes in the composition of GDP.

Productivity and the labour market

Latest estimates show that the workforce in employment including those on training programmes rose by 1.5 million in the two years to September 1988 and 2.8 million since March 1983. Excluding those on training programmes, the increase was 1.4 million in the two years to September 1988 and 2.4 million since March 1983.

Table 11 Changes in employment

	Thousands, seasonally adjusted, GB					
	Employees in employment		Self-employed	HM forces	Work-related government training programmes	Workforce in employment
	Male	Female				
September 1985 to September 1986	− 82	+ 148	+ 71	− 3	+ 55	+ 188
September 1986 to September 1987	+ 145	+ 307	+ 207	− 4	+ 98	+ 754
September 1987 to September 1988	+ 245	+ 362	+ 125 [1]	− 4	+ 3	+ 731

1 Figures for self-employment after June 1988 are projections based on self-employment growth since 1981.

Productivity continued to rise strongly in 1988. Manufacturing productivity has risen on average by 5¼ per cent a year since 1980, higher even than in the 1960s. Output per head in manufacturing industry has risen faster in the 1980s than in any other major industrialised economy and whole economy productivity growth has been second only to Japan's.

Table 12 Output per head of the employed labour force

	Annual average percentage changes		
	1960–70	1970–80	1980–88
Manufacturing	3	1½	5¼
Non-oil economy	2½	1	2¼ *
Whole economy	2½	1¼	2½ *

*Partly forecast.

By January 1988, seasonally adjusted unemployment in the UK had fallen for 30 successive months, by over a million in total. This is the longest and largest sustained fall in unemployment since the war. The fall in unemployment over the past year is mainly attributable to the strong growth of output and employment.

Forecast and Outturn

Table 13 compares the main elements of the forecast published in the 1988 FSBR with the outturn or latest estimate.

Table 13 Forecast and outturn

	1988 FSBR forecast	Outturn or latest estimate	Average errors from past forecasts
GDP (percentage change between 1987 and 1988)	3	4½ *	1
RPI (percentage change between the fourth quarters of 1987 and 1988)	4	6½	1
Money GDP (percentage change between 1987–88 and 1988–89)	7½	11	1½
Current account of the balance of payments (1988, £ billion)	–4	–14½	3
PSDR (1988–89, £ billion)	3	14	4

*Compromise measure of GDP.

Recorded RPI inflation in the fourth quarter of 1988 was higher than forecast a year ago mainly because of increases in interest rates in the second half of the year. The latest national accounts show that real and money GDP growth were both stronger than forecast: the extent of the forecast error could alter with revisions to data. The current account deficit was also larger than forecast, mainly because of the continued buoyancy of domestic demand, especially business investment, and associated capacity constraints in some sectors. The PSDR is likely to turn out substantially higher than forecast a year ago, reflecting lower government expenditure than projected and greater buoyancy of tax revenues arising from faster than expected growth.

Table 14 summarises this years' forecast, and shows average errors from past forecasts. The inconsistencies in the recorded data for 1988 mean that there is probably a wider error margin than usual around the forecasts.

Table 14 Economic prospects: summary

	Percentage changes on previous year unless otherwise stated			
		Forecast		Average errors from past forecasts [1]
	1988	1989	1990 H1	
GDP and domestic demand at constant prices				
Domestic demand	6½	2½	1½	1
of which:				
Consumers' expenditure	6½	3½	2	1
General government consumption	½	½	1	1
Fixed investment	12	4½	3	3
Change in stockbuilding (as per cent of GDP)	½	– ½	– ½	½
Exports of goods and services	– 1	4½	7	2
Imports of goods and services	12	4½	3	2½
Gross domestic product (compromise measure)	4½	2½	2½	1
Manufacturing output	7	3½	1½	1½
Balance of payments current account (£ billion)	– 14½	– 14½	– 12 [2]	3¼
Inflation				
Retail price index (Q4 on Q4)	6½	5½	4½ [3]	1
GDP deflator at market prices (financial year) [4]	7¼	5½		1
Money GDP at market prices (financial year) [4]	11	7¾		1½
£ billion	472	509		
PSDR (financial year)				
£ billion	14	14		4¼
per cent of GDP	3	2¾		¾

1 The errors relate to the average differences (on either side of the central figure) between FSBR forecasts and outturn over the last ten years, and apply to the forecasts for 1989.
2 At an annual rate.
3 Q2 on Q2.
4 Partly forecast.

Table 15 Gross domestic product and its components [1]

£ billion at 1985 prices, seasonally adjusted

		Consumers' expenditure	General government consumption	Total fixed investment	Exports of goods and services	Change in stocks	Total final expenditure	*Less* imports of goods and services	*Less* adjustment to factor cost	*Plus* compromise adjustment	GDP at factor cost (compromise measure)	GDP index 1985=100
1984		207.9	73.9	58.1	97.0	1.1	438.0	96.7	48.5	1.2	294.0	96.4
1985		215.5	74.0	60.3	102.8	0.6	453.1	99.2	49.5	0.5	304.9	100.0
1986		227.8	75.4	61.3	106.6	0.7	471.7	105.5	51.9	– 0.4	314.0	103.0
1987		240.1	76.2	66.4	112.4	0.9	495.9	113.4	54.8	0.2	328.0	107.6
1988		255.6	76.6	74.2	111.2	1.9	519.6	126.9	56.4	5.8	342.1	112.2
1989		264.1	77.1	77.6	116.3	– 0.2	534.9	132.7	58.1	5.8	349.9	114.7
1987	H1	117.6	37.7	32.1	55.7	0.0	243.2	54.5	26.8	0.0	161.8	106.1
	H2	122.5	38.5	34.2	56.7	0.9	252.8	58.8	28.0	0.2	166.2	109.0
1988	H1	125.9	38.2	36.6	55.9	0.6	257.3	61.2	27.9	1.4	169.7	111.3
	H2	129.7	38.4	37.6	55.3	1.3	262.3	65.7	28.5	4.4	172.5	113.1
1989	H1	131.6	38.5	38.3	57.1	0.2	265.7	65.8	28.9	2.9	173.9	114.1
	H2	132.5	38.6	39.2	59.2	– 0.4	269.1	66.9	29.2	2.9	175.9	115.4
1990	H1	133.9	38.8	39.4	61.0	– 0.6	272.5	67.6	29.5	2.9	178.2	116.9
		Percentage change on previous year [2]										
1987		5½	1	8½	5½	0	5	7½	5½	0	4½	4½
1988		6½	½	12	– 1	½	5	12	3	1½	4½	4½
1989		3½	½	4½	4½	– ½	3	4½	3	0	2½	2½
1990	H1	2	1	3	7	– ½	2½	3	2	0	2½	2½

1 The compromise GDP figures to 1987 are unweighted averages of constant price expenditure, output and income estimates of GDP. Growth in 1988 is based on the output measure. Percentage changes are calculated from unrounded levels and then rounded to the nearest half per cent. The annex to this article assesses the recorded data

2 For stockbuilding and the compromise adjustment, changes are as a percentage of GDP.

Annex

National and sectoral accounts

The Autumn Statement explained that, because of problems with the statistics, it has become increasingly difficult to assess the development of the economy in the recent past. The alternative measures of GDP have shown different growth rates between years and different paths within years. There have been very large balancing items in the sectoral accounts, and the data are subject to large revisions.

The figures for the past in this chapter are the CSO's latest estimates; there may be further small changes before the full set of national accounts is published on 17th March [1]. Revisions to the figures for 1986, 1987 and 1988 have reduced the difference between the various measures of GDP.

Table 1 Gross domestic product: 1985 prices, seasonally adjusted

		1985 = 100			
		Expenditure	Output	Income	Compromise *
1987		107.7	107.8	107.2	107.6
1988		110.5	112.4	112.0	112.2
1987	H1	106.3	106.1	105.9	106.1
	H2	109.0	109.4	108.6	109.0
1988	H1	110.5	111.5	111.8	111.3
	H2	110.4	113.3	112.2	113.1
Growth rates percentage change on a year earlier					
1987		4.3	4.7	4.4	4.5
1988		2.6	4.3	4.5	4.3
1988	H1	4.0	5.0	5.6	4.9
	H2	1.2	3.6	3.4	3.8

*Compromise GDP is the unweighted average of the three measures to the end of 1987, and uses the growth of the output measure of GDP for 1988.

There have been unusually large upward revisions to the expenditure measure of GDP and some of its components since the last set of national accounts was published in December. For the first three quarters of 1988 the expenditure measure of GDP has been revised up by £3 billion, over 1 per cent. This is more than accounted for by fixed investment which has been revised up by £3½ billion (6½ per cent). Fixed investment is now estimated to have grown by 8½ per cent in 1987 and 12 per cent in 1988. Following these revisions the path of investment is more consistent with the high level of imports of capital and intermediate goods.

Despite the revisions, there are still problems with the statistics in 1988. The expenditure measure of GDP is estimated to have grown significantly less rapidly than the output or income measures — especially in the second half of the year. In this forecast a compromise measure of GDP is used, and is estimated to have grown by 4½ per cent in 1988, in line with the output measure. This judgement is based on the widely accepted view that the output measure of GDP is the most reliable measure of recent activity, and is consistent with the other indicators of activity including CBI surveys.

The income measure of GDP grew by a similar amount in 1988, although its path through the year was more erratic. In contrast, the expenditure measure of GDP is estimated to have grown by only 2½ per cent.

The difference between the estimated growth of the compromise measure of GDP and the expenditure measure is shown as the compromise adjustment in Table 15.

A full set of sectoral accounts that are consistent with the revised national accounts will be published in April. Until then it will not be possible to assess whether there has been any reduction in the very large balancing items for recent years in certain sectoral accounts, notably those for the personal sector and for industrial and commercial companies. (The balancing item for any sector is the difference between the sector's financial surplus/deficit as measured by the national accounts and as measured by the financial accounts.) Large inconsistencies remain in the accounts for the overseas sector. In the last three years there have been substantial, positive balancing items, rising to over £15 billion in 1988 on the latest data (Table 5). These represent an unknown combination of unrecorded net exports and unidentified capital inflows. To the extent that the balancing items consist of unrecorded net exports, the published figures overstate the actual current account deficits.

1 See footnote on page 107.

Index of sources

United Kingdom balance of payments: National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Table	*Source*	*Further statistics*
Average earnings	1,23	Department of Employment	Monthly Digest of Statistics Employment Gazette
Balance of payments	1,27	Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
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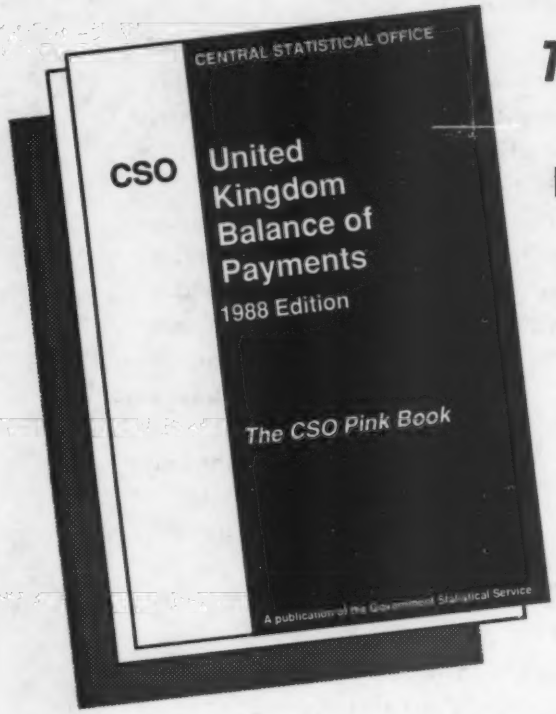
United Kingdom Balance of Payments



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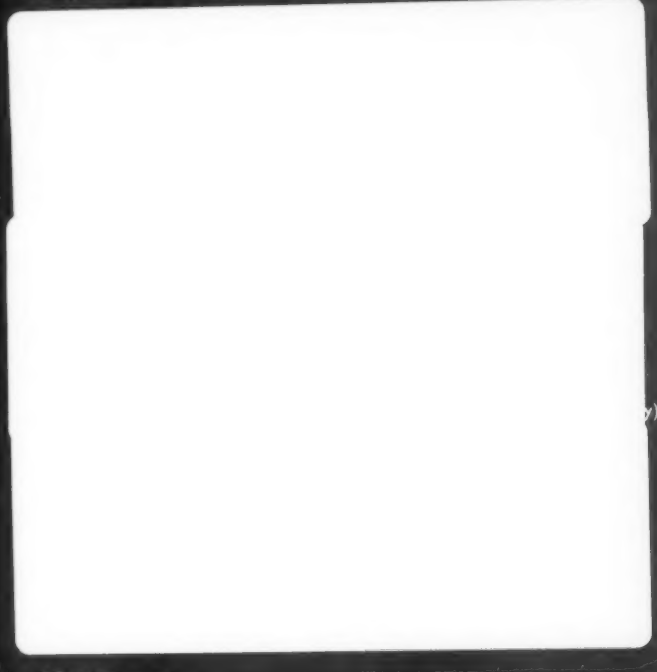

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